

THE INDEPENDENT

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TODAY'S NEWS

Hope of breakthrough in Kyoto climate talks

Ministers from the United States, Japan and the European Union negotiated far into the small hours in Kyoto, trying to find a common position between the industrialised countries which could pave the way to a breakthrough at the stalled global climate talks in Japan. Afterwards a weary and taciturn John Prescott, Deputy Prime Minister, said there would have to be further talks today on the latest US proposals.

The group met after a day of soaring rhetoric and tough, cloistered negotiations which included an eagerly anticipated speech by Al Gore, the US vice-president. "I am instructing our delegation right now to show increased negotiating flexibility," he said. Mr Gore would not specify what "flexibility" America was offering, but it is understood that the US is now ready to cut its annual emissions of climate-changing carbon dioxide to slightly below their 1990 level by around 2010, instead of only stabilising them.

Kinza Clodumar, president of the tiny Pacific island of Nauru, put global warming in perspective when he said his low-lying country was threatened with "a terrifying rising flood of biblical proportions". Page 5

Evans buys Virgin radio

Chris Evans, maverick DJ and entrepreneur, has bought Virgin Radio from Richard Branson for a reported £80m. His bid was accepted last night ahead of that made by Capital Radio. Mr Evans will create Ginger Media Group to own the station; it will also produce Evan's Channel 4 show *TFI Friday*. Page 3

Social inclusion?

The Prime Minister yesterday launched the Social Exclusion Unit, a group of advisers working inside the Cabinet Office producing ideas and recommendations intended to break the cycle of poverty and crime that afflicts many estates. He said the unit's priority would be a sustained attack on truancy.

Our leading article wishes the unit well, but warns against being over-ambitious, and suggests that the Government should concentrate on a small set of solutions that are known to work. Pages 7 and 17



Five-day wonder: Baebchen Schuttke, the world's youngest transplant patient, makes her first public appearance with her mother after receiving a new liver when she was just five days old. Full story, page 3 Photograph: Mike Moore

Merger wave threatens thousands of banking jobs

Speculation that UK banking could be in for a major shake-out reached fever pitch yesterday with confirmation of a multi-billion pound deal between two Swiss banking giants. Lea Paterson reports.

The City was predicting last night that a link-up between Barclays and NatWest, with the loss of thousands of UK jobs, could be one consequence of the Swiss bank merger.

The Union Bank of Switzerland (UBS) and the Swiss Bank Corporation (SBC) confirmed that they were to join forces, creating the world's second-largest bank.

The 3,000 redundancies said to be on the cards in the City were more than had been expected. Highly paid traders, whose annual bonuses can top £1m, will be among the casualties, as will employees in both IT and finance.

UBS and SBC's decision to merge was prompted by a wave of mergers in the world of investment banking. "Mega-deals" this summer between a number of US banking giants has led many in the industry to believe that big truly is beautiful.

"The worldwide wave of consolidation in the financial services industry has made size an increasingly critical factor for any financial services provider with ambitions to be among the most successful players worldwide," said the Swiss banks, ex-

plaining their decision to link up.

Industry experts were predicting that the SBC/UBS deal was by no means the last, and eyes turned to British banks, NatWest and Barclays, whose shares soared yesterday on speculation they could announce merger plans.

Both NatWest and Barclays recently admitted they were unable to become global banking giants, and sold off large parts of their investment banking operations at bargain basement prices. City commentators predict a merger could throw a financial lifeline to the two embattled banks. But any link-up between the two High Street giants would be at the cost of thousands of jobs.

The UK's competition authorities could prove the one obstacle to a link-up between NatWest and Barclays, which are understood to have had informal merger talks. However, legal experts said it was "unlikely but not out of the question" that the two banks could be given the green light.

Though staff in branches at leading UK retail banks often struggle to move jobs following waves of cutbacks and reorganisations, employment difficulties have yet to hit the glamorous investment banking sector. Investment banks create hundreds of instant millionaires each year during their lucrative bonus season, scheduled to start this week.

But recruitment specialists warned that, if the mergers continue, this year's "bonus bonanza" could be the last.

On cuts, rebels, and even those offshore trusts – Blair fights back

Tony Blair last night faced down critics inside and outside the party. He refused to 'bottle out' on the lone parents' benefit cut, and backed his Paymaster General, Geoffrey Robinson, to the hilt. Anthony Bevis and Fran Abrams witnessed a fierce fightback.

The Prime Minister, ministers, whips – and rebel lawyers – yesterday took concerted action to quell internal party dissent, and external attack on the central integrity of the Government.

While the *Sunday Times* and *Observer* received lawyers' letters demanding front-page apologies for allegedly defamatory articles about the personal tax affairs of Mr Robinson, the Prime Minister definitely stood by his colleague and

friend in a *Channel 4 News* interview – and told potential backbench Labour rebels that there was no alternative to making the proposed cut in lone parent child benefit.

Faced with a host of "worthy claims", from farmers and miners as well as lone parents, and a budget deficit that had to be tackled because of the burden of interest charges, Mr Blair said that if the Tory legacy was not tackled, people would say: "We bottled out; didn't take the right decisions; and ended up with the old boom and bust Tory cycle, and interest rates at 15 per cent, and borrowing out of control."

"Then you'd find it wouldn't just be cuts in single parents' benefit, or any of the rest of the things on the agenda, it would be massive changes to public spending as a result of having lost control of the economy. We can't do it."

Ministers and Labour whips

were mounting a "good guy, bad guy" exercise as MPs returned to Westminster – with some of them intent upon rebelling against the lone parents' benefit cut in a Commons vote on the Social Security Bill tomorrow night.

Rebels predicted that between 20 and 30 MPs would vote against the Government and there was talk of more revolts to come – on disability benefits and on the creation of an elected mayor for London.

At least 120 Labour MPs are thought to be unhappy with the lone parents' measure, which will leave new claimants about £10 a week worse off from April.

Last night, Westminster rumours were rife that MPs were being asked to stay away if they could not bring themselves to support the Government. Loyalists were being asked to cancel other arrangements to ensure that they could be present.

A select committee trip to Northern Ireland was postponed. A stream of backbenchers was invited to meetings with ministers, and some emerged encouraged by what they had heard.

However, others, perhaps those less likely to respond to the tea-and-biscuits treatment, were being approached by party whips. Brian Sedgemore, MP for Hackney South and Shoreditch, wrote to Nick Brown, the Chief Whip, describing the whips as "arm-twisters and goolie-crushers".

But Mr Blair's stand on *Channel 4 News* last night marked out his determination to remain firm on the need to bring the economy back to prudent balance – combined with an appeal to supporters to have patience, and faith.

As for Mr Robinson, his lawyers' letters showed he had the ability, and the financial clout, to look after himself.

There is to be no Treasury support for his legal moves.

His lawyers told *The Sunday Times* that its weekend report, headlined "Robinson's Bermuda Tax Haven", was inaccurate and defamatory, adding: "Mr Geoffrey Robinson has never had any money, shares or any assets in Trust or otherwise held in Bermuda. Neither Mr Robinson, nor his wife, nor children are or ever have been beneficiaries of any Trust in Bermuda, or in any way connected with such a Trust."

The *Observer* allegations were more complex – suggesting that Mr Robinson was something more than a discretionary beneficiary of the Guernsey-based Orion Trust, as the minister had agreed in a statement on 29 November.

The lawyers' letter said that was untrue and his earlier statement remained entirely accurate.

Mr Blair said last night: "In a society, you get two sorts: those that carp and are cynical about everything, and those that actually want to try and do their best, in an imperfect world, to make a contribution."

He said Mr Robinson was a highly-experienced businessman, and an extremely good minister, who gave his high-calibre services for no ministerial salary.



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2/BRIEFING

COLUMN ONE

Lobsterman steamed up about one that got away

The world was almost Bernard Warner's lobster (as Bobby Robson, the former England manager, once famously said, mixing up his seafood) but then he sold it.

The crustacean that is. Apparently pale and old, it turned out to be almost worth its weight in gold.

For by the time Mr Warner realised that the oversized, grey lobster fished out of the sea was in fact a rare albino, worth more than £20,000, it was too late.

He was on holiday in Madeira and the priceless crustacean had been boiled and eaten by some unsuspecting diner.

Mr Warner, 52, from Doncaster, south Yorkshire, had acquired the off-white specimen in a routine delivery from the East Coast. It was two and half times the size of an average lobster, weighed between two and three pounds, compared to the usual one pound, and was covered in barnacles. "The comments at the time were: 'We'll never sell that, because it's too big,'" he recalled yesterday.

Nevertheless, he sent it on to Mrs B's Fish Emporium in Doncaster, along with a batch of pink lobsters. A week later, in a restaurant in Madeira, he woke up to the true value of the rogue specimen. "We were passing

PEOPLE



Anne Atkins and her daughter Adelaide (below), who went missing at the weekend

Problems come home for newspaper agony aunt

Adelaide Atkins, 12-year-old daughter of Anne, the Daily Telegraph's agony aunt and moral crusader, has sparked an intensive search after going missing.

There was a note on the kitchen table saying: "Back shortly, don't worry." Under Saturday's diary entry the child had written: "I depart today." Apart from her Post Office book, nothing else seems to be missing from her bedroom.

The scenario could have been plucked from her mother's column. But, rather than handing out advice, Mrs Atkins and her husband Shaun, a vicar, have been plunged into their own nightmare.

Police helicopters and dogs searched the Fulham area of London, near the family's home, yesterday looking for Adelaide. She was last seen at 9pm on Saturday when she went to bed.

At first the family were not too concerned but by 2pm they alerted police when Adelaide, described as a reserved girl whose disappearance is totally out of character, failed to turn up for church or lunch.

Adelaide is 5ft tall, slim with hazel eyes and mousey, with hair cut in a page-boy style.

According to Mrs Atkins she "did not have any particular problems. We keep thinking she'll walk in any minute, but the longer it goes on the more



anxious we get. She's really not at all worldly wise and doesn't even like going on the Tube on her own.

"We are terribly worried. I deal with these traumas through my column but it's totally different when it happens to you."

Mrs Atkins rose to prominence after causing a stir on Radio 4's Thought for the Day when she condemned the Church of England for allowing a service for homosexuals at Southwark Cathedral.

UPDATE

PRISONS

Inmates 'should be allowed alcohol'

Prisons should consider allowing inmates to drink alcohol - and even set up "simulated bars" - to encourage "sensible" drinking, according to an official report published yesterday.

The Prison Service's Health Advisory Committee said the lack of opportunity to consume alcohol behind bars was actually a disadvantage when it came to devising alcohol treatment programmes for some inmates.

It urged the Service to experiment with "imaginative" schemes so that inmates' progress in learning how to control their drinking can be properly assessed.

At the same time however, the committee called for a strict ban on drinking by prison staff while on duty. It said officers should be encouraged to go for lunchtime work-outs at the gym instead of downing a couple of pints.

For prisoners, the committee said there should be a series of "modular programmes" available, similar to those on offer outside jail, to teach them how to control their alcohol intake.

"The lack of opportunity to consume alcohol is a disadvantage for some treatment programmes," the report said. "Without access to alcohol the success of treatment and education cannot be accurately assessed."

While home leave provided some opportunity for monitoring a prisoner's progress, the report said that more could be done within jails.

"We recommend that the Prison Service should experiment with such imaginative approaches to the testing of sensible drinking and abstinence skills," the report said.



HEALTH

Baby joy turns to abuse for women

Expecting a baby should be a joyful experience, but for many women it brings only fear and the threat of violence.

The claim was made by the Royal College of Obstetricians and Gynaecologists which said that between 2-20 per cent of pregnant women arriving at antenatal clinics have experienced severe physical, emotional or sexual violence from their partners.

Violence could be triggered for the first time during pregnancy, or pregnancy may increase the frequency of violent assaults, it was claimed.

Certain gynaecological symptoms, such as pelvic pain, recurrent infection and sexual difficulties, were "significantly associated" with abuse.

The College was launching a programme yesterday to raise awareness of the problem among obstetricians and gynaecologists.

One aim was to help specialists identify and cope with the consequences of violence suffered by their patients.

CONSUMERISM

Trainers link to foot injuries

Wearers of expensive trainers may be injuring their feet because of manufacturers' misleading advertising, it was claimed yesterday.

Studies have shown that top-of-the-range shoes with hi-tech, shock-absorbing soles account for 123 per cent more foot injuries than the cheapest brands. Research at McGill University in Montreal, Canada, indicates a link between the injuries and "deceptive" advertising messages. People become reckless after falling for safety claims which emphasise advanced new features and the latest technology, the findings suggest.

In fact, no athletic footwear, regardless of brand or price, has ever been shown to protect well against injuries, say the researchers.

TOURIST RATES			
Australia (dollars)	2.38	Italy (lira)	2,888
Austria (schillings)	20.12	Japan (yen)	212.50
Belgium (francs)	59.16	Malta (lira)	0.63
Canada (\$))	2.29	Netherlands (guilders)	3.23
Cyprus (pounds)	0.84	Norway (kroner)	11.68
Denmark (kroner)	10.97	Portugal (escudos)	290.74
France (francs)	9.60	Spain (pesetas)	241.32
Germany (marks)	2.88	Sweden (kroner)	12.65
Greece (drachmes)	453.19	Switzerland (francs)	2.33
Hong Kong (\$))	12.40	Turkey (lira)	315,823
Ireland (punts)	1.10	USA (\$)	1.62

Source: Thomas Cook

Rates for indication purposes only



Nippy customer: A normal lobster, examples of which fetch a decent price, but nothing like the riches Bernard Warner, a Yorkshire purveyor of crustaceans, would have come into had he not unwittingly disposed of a rare albino specimen

comment on the price of a lobster," recalled Mr Warner, who has worked in the family business, Warner's Fish Merchants Ltd, for the past 40 years. "It was about £40 and we said: 'We'd never get that in Doncaster.' The manager said: 'What about this one?' and passed us an article about a similar looking albino lobster recently found in America."

The fraught fishmonger sped to the telephone and rang his sister-in-law, Brenda, at Mrs B's. She was "quite proud" of the fact that she had sold the large lobster, he said. "I couldn't believe it. In all my time as a fishmonger I've never come across one before. I'm pig sick." His wife, Chris, was "gutted".

Mr Warner sells his lobsters to restaurants and private customers throughout the country and he has no idea where his prize catch went. Given that it was boiled at Mrs B's, it was probably eaten fresh - and the customer paid cash, so there is no invoice. "Someone has had a very valuable meal without even knowing it," he said. "For me it's like winning the lottery and then discovering you have thrown the ticket away."

The albino lobster featured in the article read by Mr Warner was found in Maine. At first it was dismissed as a plastic toy. Bill Coppersmith, the lobsterman who caught it, thought it was a practical joke. "It looked like someone had planted a toy in the pot," he said. Now "Lionel", as the lobster has been nicknamed, is being hailed as one of the rarest live finds in marine history and one private collector is reportedly offering £14,000 for him.

Mr Coppersmith is "real curious" to see what colour Lionel would turn if he was cooked, "but if he's worth that much, perhaps I can live with not finding out," he said. Another albino lobster, "Barry", which weighs 1lb 2oz, resides at the Sea Life Centre in Scarborough, north Yorkshire. Following the discovery of Lionel, the centre's owners woke up to Barry's worth. Barry is now insured for £20,000.

But none of that helps Mr Warner, who has resigned himself to laughing off his misfortune - and looking a little closer at his lobsters in future.

Clare Garner

Assault charge for Bobbit's former wife

The former Lorena Bobbitt, accused of cutting off her husband's penis with a kitchen knife in 1994, arrived in court yesterday to face charges of assaulting her mother.

Lorena Gallo, who has used her maiden name since her divorce from John Wayne Bobbitt in 1995, was scheduled to be arraigned yesterday. If she is convicted, she faces a maximum penalty of a year in jail and a \$2,500 (£1,500) fine.

Ms Gallo's parents accompanied her to the courthouse.

Ms Gallo, 38, (pictured right) had been living with her parents. Neighbours told police that her mother, 49-year-old Elvia Gallo, was watching television on Friday morning when her daughter entered the room and started punching her with a closed fist, police said on Sunday.

Elvia Gallo's son separated the two women.

She was arrested at a friend's house, and later freed on \$750 bail.

Ms Gallo, who has an unlisted telephone number, could not be reached for comment over the weekend.



Her mother suffered minor injuries, including an abrasion around the eyes and minor scratches, said police Lieutenant Paul Harris.

During her widely-publicised trial in 1994, Ms Gallo said years of sexual abuse drove her to cut off her former husband's penis, which was reattached surgically.

She was found not guilty of malicious wounding by reason of insanity.

Mr Bobbitt, now 30, said last month that he was leaving a life of talk shows and porno movies and moving to the small town of Fallon, Nevada, where four of his five brothers live.

MP wins red light case

Ann Clwyd, the Labour MP, was yesterday cleared of driving through a red traffic light after staging her own reconstruction of the police case against her.

Mrs Clwyd positioned her car at a road junction in Cardiff and shot photos from the window to support her defence that two officers sitting in a panda car could not have had a clear view of her alleged offence.

The 60-year-old former shadow minister denied she was an "amher gambler" and told Cardiff magistrates' court that she was so convinced of her innocence she chose not to take the easy way out and pay the £40 on-the-spot fixed penalty fine.

Mrs Clwyd, MP for Cynon Valley and a former shadow employment secretary, was stopped by the officers last February, only two minutes away from her home in St Michael's Road, Llandaff, Cardiff after driving from the House of Commons.

Mrs Clwyd said she would lodge an official complaint with South Wales police about publicity given to the prosecution before the case came to court.

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**What the smart 10-14
year old mustn't be
without this
Christmas FASHION**

'Ginger Whinger' buys Virgin Radio from Branson

Chris Evans, the maverick DJ, yesterday snapped up Richard Branson's Virgin Radio, thwarting a rival offer from Capital Radio. Cathy Newman says the media industry was stunned that Mr Evans had finally put his money where his mouth is.

News emerged last night that Virgin had written to Capital, notifying the radio group that it had accepted an £85m offer from Mr Evans' Ginger Productions.

The DJ, who hosts Virgin's breakfast show and is known as the "Ginger Whinger", has secured backing from Apex Partners, a venture capital firm, but is stumping up £2m less than Capital.

The deal will see the formation of the Ginger Media Group, an umbrella company overseeing Virgin Radio and producing programmes such as Mr Evans' Channel 4 show, *TFI Friday*.

Richard Branson said last night: "When we put this bold suggestion forward, the maverick to me was attracted to it. In talking with our staff and the public, it soon became obvious that the vast majority of people favoured this option - and so, although the total consideration was less than that offered by Capital Radio, I believed that Virgin Radio would have a more sympathetic partner in Chris."

News of Mr Evans' designs on Virgin first became public last month, after the DJ appealed on air for listeners to back

his attempt to buy the station. Once Apex revealed it was backing the bid, Virgin said it was giving it serious consideration. Apex was a founding shareholder of Virgin Radio when it launched in 1993.

Mr Evans and Ginger's senior associates will own a 55 per cent share of the company. Apex will take a 20 per cent stake, and the remainder will be owned by Mr Branson and family interests.

Mr Evans said last night: "The Virgin brand has become one of the most powerful global symbols of energy, excitement and integrity. I am consumed by the challenges of developing Virgin Radio as a beacon for the British public's passion for music and appreciation of quality broadcasting."

Virgin's acceptance of Mr Evans' offer will stun Capital, though, which claimed last month it was "not concerned" by the turn of events.

Capital refused to comment yesterday. However, the news will come as a bitter blow to the company's new chief executive, David Mansfield, who had been trying to rebuild City confidence in the company. The market had responded negatively to the purchase of the restaurant chain, My Kinda Town, and the share price has dwindled from a high of 733p last year to 500p last night.

Capital has already come under serious pressure earlier this year when its purchase of Virgin was referred to the Monopolies and Mergers Commission. The MMC report, which had been due for release early next year, now looks certain to remain unpublished. It is thought the radio group will now focus on expanding into the regions.



Ginger winner: Chris Evans' offer appealed to the 'maverick' in Richard Branson Photograph: PA

Internet addicts may be damaging their health

"Information addiction" won't make you thin or fat; but it will eat into your free time, leaving you fretting on holiday and perhaps even surfing in bed. Are you at risk? Charles Arthur, Science Editor, investigates.

driven to gather as much information as possible to keep up with their business needs, and 43 per cent said they looked for work-related material when on holiday. Just over half said they "craved" information and the same proportion said finding what they wanted gave them a "high".

Mark Griffiths, a psychologist at Nottingham-Trent University who specialises in addictive behaviour, said: "Cravings, changes of mood, and conflict with other activities suggests that information can be addictive, though it needs more research to be definite."

Mike Foster, of Reuters Business Information, which carried out the survey, offered three tips for spotting someone who is addicted to information.

"First, they come in to the office and the first thing they do is sit down at their desk and check their e-mail - they don't interact with other people there. Second are the cyber-versions of 'road warriors', with mobile phones connected to carphones, and everything plugged in to their laptop. Third, if they surf the Net in bed."

Is there a cure? Actually, we may not need one, suggests Mr Foster. "The good thing is, children will be better placed than the current generation to deal with this, because they're growing up with this network. Parents should just watch out for their speeding excessive time online."

Alexander, aged 13, spent three weeks in the US on holiday this year. He was not altogether happy - it was the longest time he had been out of the 10-telnet in ages. "It was quite frustrating," he said yesterday. "I've got friends around the world and I couldn't get messages to or from them."

Couldn't he send postcards to say he was in America? "Postcards would have taken a week to arrive, whereas e-mail just takes one or two minutes," he said dismissively. "An e-mail says what time it is and where you are."

Alexander, who lives in west London, may be one of a new breed: the information addict. A survey released yesterday showed that the growth of the Internet, and the enormous amounts of data it can provide, is creating a class of people who get a high from finding the data they want and feel itchy when they can't get connected.

A survey of 1,000 businesspeople in the UK, US, Ireland, Germany, Singapore and Hong Kong found that 80 per cent feel

Youngest transplant patient brings joy after tragedy for parents

The world's youngest transplant patient made her first public appearance yesterday after receiving a new liver when she was five days old.

Jeremy Lawrence, Health Editor, reports on a remarkable alliance of parental determination and surgical skill.

The parents of Baebchen Schuttkie had already suffered a double tragedy when she was born last July. Their two sons both died soon after birth from a rare condition that resulted in liver failure.

Baebchen had the same condition and collapsed with liver failure 24 hours after she was born. She was flown to King's College Hospital in London where doctors said an immediate transplant was necessary to save her life.

By chance, the liver of a 10-year-old child became available and surgeons led by Mohamed Rela arranged to conduct the delicate and complex operation three days later.

Yesterday, Ita, 30, and Jürgen, 33, presented their sleeping daughter to the press and declared that she was a "completely normal five-month-old baby".

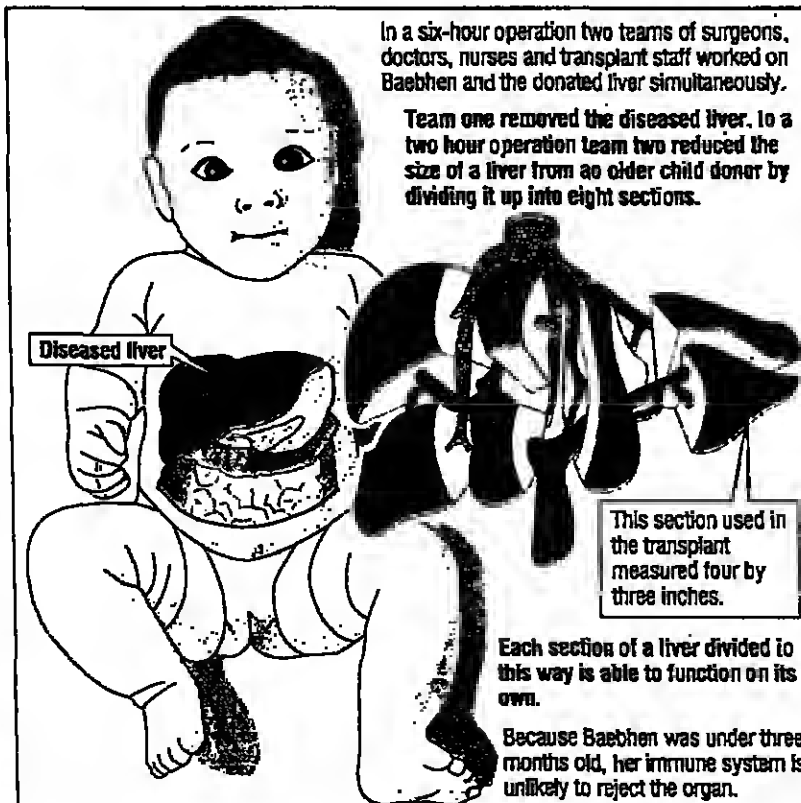
Accompanied by their five-year-old daughter, Aodhbha, they thanked their doctors - Mr Rela was the "surgeon of the century", Mrs Schuttkie said - and appealed for more donors.

Mr Schuttkie, who is originally from Westphalia, Germany, said: "The main reason we decided to go public was to thank the donors. Mr Rela has done an excellent job but without the organs you can't do anything."

"A tragedy in somebody's life may bring someone else happiness. It has made our Christmas."

Behind the celebratory tone, however, lies a harrowing story. When their first son died in Dublin, where the family lives, Ita, who is Irish, and Jürgen, were distraught - and perplexed by the absence of any clear diagnosis.

They searched medical libraries and the Internet for clues. They found a specialist in Pittsburgh, in the United States, who suggested the diagnosis neonatal haemochromatosis, an extremely rare condition caused by an excess of iron whose cause is unknown, and told them that King's College Hospital in London had the expertise that they needed.



In a six-hour operation two teams of surgeons, doctors, nurses and transplant staff worked on Baebchen and the donated liver simultaneously.

Team one removed the diseased liver, to a two hour operation team two reduced the size of a liver from an older child donor by dividing it up into eight sections.

When their second son was born, he was flown to King's and had experimental drug treatment but it failed. When Baebchen was born last summer the Schuttkies, who have another daughter, five-year-old Ava, knew that a transplant was their only option. Ita said: "We didn't think whether she was the youngest or the oldest [transplant patient]. Saving her life was our main concern."

The seven-hour operation involved transplanting a single lobe from the donor liver, one eighth of the liver's total size, but even this was too big to fit into the baby's tiny abdominal cavity. For two weeks the surgical wound was left open, covered by a dressing, until the liver had naturally shrunk to fit.

Mr Rela said: "The liver is an amazing organ. It will shrink to fit or grow to fit whatever cavity it is placed in."

The liver is made up of eight segments and the first part of the operation, which has been pioneered at King's, involved reducing it to one segment, a process that took over two hours.

Once the liver segment had been prepared, a second surgical team trans-

planted it into the baby in a lengthy, delicate procedure in which the surgeons practised microsurgery under magnifiers to attach the tiny blood vessels.

No signs of rejection have been seen and Baebchen is taking only minimal doses of immunosuppressant drugs because, at such a young age, before the immune system is fully functional, foreign organs are not recognised as alien. The liver will grow with the child, removing the need for further transplants as she gets older, and doctors expect to be able to withdraw the drugs altogether by the time she is five.

Surgeons at King's have performed 13 liver transplants on children below the age of three months and five below one month. The hospital is the largest liver transplant centre in Europe, carrying out more than 180 transplants a year, including 50 in children.

Mr Rela added: "This is the youngest child to get a liver transplant because she was lucky enough to get a donor. She would have died if she had not got a transplant within two weeks. She has done very well, and the liver is now adapting to her body and is growing normally."

SIEMENS

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And with a
little piggy
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This Christmas get to Santa before he gets to you. Ask for the new Siemens S1A which has just been voted the Best Business Mobile in the World by Consumer magazine and which comes with 18 hours talktime, the world's best colour display, and a whole lot of fun.

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Hindley singled out unfairly, court told

The Moors murderer Myra Hindley launched a legal action yesterday against an order that she should remain in prison for the rest of her life. Her lawyers claim she has been singled out because of her notoriety. Michael Streeter, Legal Affairs Correspondent, was in court.

Myra Hindley was a victim of injustice because of the decisions by successive home secretaries that she should serve "whole life", effectively condemning her to die in jail, a High Court heard yesterday.

Mr Edward Fitzgerald QC, for Hindley said there was a suspicion that his client had been "singled out" for tougher treatment by ministers because of the circumstances and publicity surrounding her case.

Hindley, now 55, was sentenced to life in prison 31 years ago for the murders of Lesley Downey and Edward Evans, together with her co-defendant Ian Brady. Yesterday she sought to overturn the decision by the former Home Secretary Michael Howard and reiterated by Jack Straw last month that she should serve the life tariff.

Mr Fitzgerald told the High Court that Hindley and Brady were the only people whose tariff period of imprisonment - 30 and 40 years respectively - had been increased by the Home Office. He suggested that the policy of setting and then increasing such tariffs, which Hindley claims is unlawful, has been used solely to deal with her case.

He said that though the Home Secretary said last month that the life-tariff prisoners could be freed if they showed "exceptional progress" in jail, subsequent media interviews given by Mr Straw had shown that he was content that Hind-

ley should serve the full period. Such comments created a "expectation" among the public that Hindley would stay in prison until she died, an expectation from which it would be hard for the Home Secretary to retreat.

Mr Fitzgerald said that in increasing her tariff to life, first set in 1985, successive home secretaries had ignored the mitigation of her 1987 confessions in which she acknowledged her guilt and in which she acknowledged her involvement in two other killings. Nor had they considered "intimidation" against her and her family by her "mentor" Brady.

At the same time ministers had not taken into account a Parole Board recommendation that Hindley - currently in Durham jail - should be sent to an open prison.

Mr Fitzgerald said she was the only "secondary party" in a murder case to have been given a whole-life tariff, and with Rose West was only one of two women to receive it. Ministers had also failed to distinguish between the more serious actions of Brady and that of Hindley.

Hindley is challenging the legality of ruling by Mr Howard and now Mr Straw to put her on a life tariff, an increase on the 30 years she had expected.

She is also challenging the policy of imposing any such tariff for prisoners. Even under Mr Straw's promise to review cases where there was exceptional progress, she says this unlawfully fetters his discretion to release prisoners.

Mr Fitzgerald said his client was not challenging her sentence or conviction and nor was she asking the High Court to release her immediately. She simply asked that her case be dealt with on its merits.

Mr Straw has already indicated he will review Hindley's individual circumstances at the end of her judicial review. The hearing, which is expected to last three days continues.



An anti-Hindley protester outside the High Court yesterday

Photograph: Enterprise News and Pictures

Brady turns against partner in crime

The Moors murderer Ian Brady yesterday claimed he had given his co-defendant Myra Hindley "cover" to help her get acquitted from one of their crimes.

Brady, who is serving life for the murders and says he will never apply to be released, sent the letter to Home Secretary Jack Straw on the day that Hindley began a High Court action to overturn a decision to make a "whole life" tariff prisoner.

In the letter, issued through a news agency, he says that Hindley, 55, and he had been in love and that she had regarded the killings as "marriage ceremonies" theoretically binding

us ever closer. He adds: "... Existential philosophy melded with the spirituality of death and became predominant. We experimented with the concept of total possibility."

"... Before entering the witness box I instructed both her counsel and my own to ask me specific questions designed to give the fullest opportunity of providing a cover for Myra. This managed to get her off on one murder charge I also told her to adopt a distancing strategy when she went into the witness box, admitting to minor crimes whilst denying major ... For 20 years I continued to ratify the

cover I had given her at the trial whilst, in contrast, she systematically began to fabricate upon it to my detriment."

"Therefore, when I learnt from the *Panorama* programme this week that she was now claiming I had threatened to kill her if she did not participate in the moors murders, I considered that the lowest life of all. The fact that she continued to write several lengthy letters a week to me for seven years after we were imprisoned contradicts this cynical allegation."

As for the parole board, I advised her to build on three pillars: educational studies,

powerful contacts and religion. She did ... In the *Panorama* programme, former Home Office minister A. Widdicombe stated there are 23 prisoners in the UK who will never be released. Why has the public heard so little of them?

"In this and other special hospital run by prison warders there are also patients no one has heard of, who have been rotting behind bars for 40 and 50 years for relatively minor offences. That puts the present loud debate over Myra Hindley in proper perspective ..."

— Michael Streeter
Legal Affairs Correspondent

Ministers fear motorists' backlash against toll roads

Charging motorists to use the roads is seen by many as the answer to Britain's looming transport crisis. But ministers appear to be shying away from road tolls. Randeep Ramesh, Transport Correspondent, explains why.

Ministers are keen in public to say the Government wishes to cool the public's passion for the motor car. But despite clogged streets and worsening pollution, in private they have dismissed road tolling. "It will take 10 years to get the infrastructure in place," said one. "It is not as simple as many people think. You run into problems such as just displacing traffic onto other roads. There is also the question of how much you charge."

It is understood ministers will instead tax "non-residential" parking to curb congestion and raise cash by cracking down on company cars.

This has not stopped other European governments pressing ahead with congestion charging schemes. Road-pricing schemes have been operated for more than 5 years in Norway and motorists in the Netherlands face tolls by 2001.

Officials have considered

two forms of congestion charging. The first is motorway tolling, which ministers point out would involve "large capital costs".

The other, more likely option is for local authorities to set up "urban tolls". Many councils - including Edinburgh, Bristol and Aberdeen - have put forward innovative schemes suggesting congestion as a way of paying for public transport and road improvements.

And councillors have been supported by business. Charges of £5 on the A1, A19, A66 and A167 were recently suggested by the North East Chamber of Commerce, Trade and Industry.

"If we do not get road-tolling or some other scheme then we will see traffic in the area grinding to a halt," said Michael Bird, the chamber's chief executive.

What ministers fear is backlash from a public paying for a

commodity - road space - that they took for granted as free. The Government will instead use the £400m Birmingham Northern Relief Road, which links the heavily congested M6 to the M42 as the litmus test for road pricing.

The 27-mile road will only be completed in 2002. No estimates for the level of charge have been made, but experts estimate the road will need to rake in £40m a year to pay for itself.

Train firms under cosh as passenger gripes rise again

Complaints by rail travellers nearly doubled this summer - pushing the figures to record levels, according to the passenger watchdog. About 4,500 complaints were received by the Central Rail User's Consultative Committee in the three months from July - a rise of 96 per cent on the same period last year.

"I am horrified that the level of passenger dissatisfaction should have grown to such an extent and so rapidly," said CRUCC national director Paul Hadley.

Information at stations and from national telephone inquiry bureaux topped the list of complaints, followed by reliability, overcrowding, on-train cleanliness, suitability of service and punctuality.

Train companies have fared badly - in part due to problems with the ailing rail infrastructure. In London, complaints reached an all-time high, with Connex South Central seeing the number of letters it receives rise by 158 per cent.

The West of England also suffered. The passenger watchdog received 1,240 letters in the first 6 months of the year, compared with 1,397 in the preceding 12 months. Mr Hadley said the figures "must set the alarm bells ringing. It is evidence of just how wide the gulf is becoming between passengers' expectations and operators' performance."

Randeep Ramesh, Transport Correspondent

Council's homes challenge

John Prescott was last night facing a legal challenge over a decision to force West Sussex to accept the building of 12,800 more homes than planners think the county can bear. While the Environment Secretary is battling in Kyoto to save the planet from global warming he has accused of "concreting the countryside" back home.

The Government has issued a directive to West Sussex requiring the council to increase the planned level of new housing in its structure plan from 37,900 to 50,700 by the 2011. An independent

panel which endorsed the council's lower figure said the character of West Sussex was "at a critical point".

Announcing the application to the High Court for a judicial review, the council chairman Ian Elliott said more homes would have a devastating effect on the countryside. "The 30,000 people who would live in the extra homes ordered by Mr Prescott would put even more pressure on the road network and significantly add to environmental pollution."

— Stephen Goodwin
Heritage Correspondent

Missing teenager found

A man is being questioned on suspicion of abduction after the Essex schoolgirl Sally Claydon was found in Aberdeen. Police had been hunting for the 13-year-old since her disappearance on 16 November. Airports and ports had been put on alert amid fears that she may have tried to travel to Spain.

It was thought that Sally,

who looked mature for her age, may have wanted to return to the Costa del Sol with a 47-year-old British man she met whilst helping in her mother's bar in Fucogioja.

Sally and her mother had returned from Spain on 3 November but the teenager disappeared two weeks later with nothing but her passport and summer clothes.

Karli: woman remanded

A mother-of-three was remanded in custody for seven days yesterday accused of the abduction of baby Karli Hawthorne.

Denise Giddings, 33, from the Langdon Hills area of Basildon in Essex, appeared before a packed magistrates' court in the town for a hearing which lasted just over half an hour.

Following a 45-minute adjournment, Nicola Moulds, chair of the magistrates' bench, returned to announce the court's decision.

Ms Giddings was handcuffed by guards as she left the court.

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Developed nations look to a free market in pollution

The final deal reached in Kyoto this week will open the way for a free market in trading in pollution rights between nations. Nicholas Schoon, Environment Correspondent, explains an extraordinary idea.

You are a country which has signed up to a legal treaty strictly limiting the quantity of greenhouse gas emissions you can produce each year. And you

have a real problem - you know you are heading to break that limit in the next few years.

Perhaps one of your nuclear power stations has broken down, so you need to burn more greenhouse-gas producing coal to make up for the missing electricity. Or economic growth is expanding your use of fossil fuels faster than you expected.

So what do you do? You buy a load of extra permits to pollute on the open, international market at a few dollars per tonne of greenhouse gas. Then, when you do go over your limit, you are not breaking in-

ternational law - for you have the permits to cover the excess.

The cost of purchasing them from overseas is cheaper than cost of cutting your rising emissions at home. The United States has insisted this kind of trading regime must feature in the Kyoto climate treaty for developed countries. It now seems certain to get its way, despite other nations and green groups having serious doubts. Economic theory says that free-market trading in permits guarantees to minimise the total costs of stabilising or reducing the global level of pollution.

In real life, the largest trial to date has taken place within the US through the 1990s. It applied to the acid rain gas sulphur dioxide produced mainly by power stations, and it seems to have worked fairly well.

Here is how it could work if, say, the Kyoto treaty set a target for developed countries to cut annual greenhouse gas emissions to 95 per cent of their 1990 level by 2000 - a fairly likely final outcome. Each country would be given permits sufficient to cover 95 per cent of the quantity of pollution it produced in 1990, to be used in the year 2010.

Those nations confident of being able to cut emissions by more than 5 per cent easily and cheaply would reckon to have surplus permits for that year. So they would offer them for sale, either on the open market or in private sale agreements with other governments. In 2010 or beforehand, Nations which found it too expensive or difficult to meet the target would want to buy them. But overall, emissions from the developed world would be cut by 5 per cent.

It gets more complicated. The permits would, in fact, cover several years of emissions

rather than just one - and could be banked up for the future. Not only would there be a market in permits, but a futures or options market too - in which the players would be gambling on the future price of permits. In Kyoto this week, the Deputy Prime Minister, John Prescott, suggested the City of London get involved. But the EU and the green lobby worry about potential loopholes.

Russia and the eastern bloc have had enormous reductions in greenhouse gas emissions since 1990, thanks to economic decline. So if permits were al-

located on a 1990 basis, that would give them a big surplus. The natural client to sell them to would be the US, the world's biggest climate polluter, allowing American greenhouse gas emissions to keep rising.

Furthermore, the trading regime would collapse if there was not strict monitoring and enforcement. Nations which polluted above their quota without having purchased the necessary permits ought to be severely penalised. But a watertight regime has not been negotiated in Kyoto.

The EU's view is that trad-

ing permits should only play a small part in lowering greenhouse gas emissions: what countries do inside their own borders must deliver the bulk.

Dr Daniel Duda, of the US Environmental Defence Fund, is a leading advocate of pollution trading and guesses the price will settle down at around £2 for each tonne of carbon dioxide traded. "The permits are, in effect, a sovereign promise by a Government to perform - they're only as good as that promise. I have a lot of faith in the entrepreneurship that will come with trading."

Prescott paints a greener and more frugal land

John Prescott told the climate conference that Britain aimed to cut its emissions of global-warming carbon dioxide by a fifth by 2010. In the second of a two-part series, Nicholas Schoon looks at what this would mean for our homes, transport, energy industries and towns.

The biggest changes will be in our homes and ways of travel. Almost all housing will need surgery if the 20-per-cent cut is to be made. Not only double glazing but special low-emissivity glass will have to be installed. Insulating foam will be pumped between the internal and external walls of the 9 million homes which have cavity external walls - today this insulation is a rarity. Houses with central heating will have to have more efficient, and expensive, gas-condensing boilers and electronic controls.

Tougher standards will also be set for electrical appliances, with the biggest carbon-dioxide savings coming from replacing refrigerators and freezers with more frugal models. The Government's Energy Saving Trust has drawn up a programme for households which would go a fifth of the way towards making the 20-per-cent cut. An extra £70m a year would have to be pumped in, as Government grants or by a 2-per-cent levy on household fuel bills.

Road traffic accounts for 22 per cent of UK carbon dioxide emissions and is rising. The White Paper on an integrated transport policy, due soon, will show how serious ministers are about making the 20-per-cent cut. As well as raising petrol and diesel duties, there will need to be a package of measures including such things as road tolling or restrictions on road

space for private cars, taxes on office-car parking and final elimination of the company-car perk. Fuel-thrifty cars will need cheaper tax discs than gas guzzlers and there needs to be an incentive for scrapping old, highly polluting cars. Together, such measures would encourage the manufacturers to develop and market much more fuel-efficient cars, and people to walk or use bicycles for short journeys.

The electricity and gas industries will have to change too, with the Government continuing to encourage non-polluting sources such as wind power. Already these renewable sources provide electricity equivalent to one big coal-fired power station, but that will have to more than double. Regulation of the gas and electricity industries also has to be reformed: the requirement is for less emphasis on driving down prices and more on incentivising businesses and homes to install energy-saving equipment. Better terms are needed for mini-electricity generators who make cleaner, greener power and sell some of it into the grid.

In planning, there will have to be more restrictions on sprawling out-of-town and edge-of-town development of homes, offices, shops, leisure facilities and factories: these are hard to serve by public transport and encourage longer car journeys. If the Government moves ahead with the programme needed to make the 20-per-cent cut it will face opposition and controversy. But there will be winners as well as losers: it could help Britain gain new export markets for energy-saving technologies and create more jobs than it destroys. It will take two Parliaments to implement the programme, with an immediate start. The greatest challenge it faces is to keep the public's trust and support for the duration.

SOURCES OF UK CARBON DIOXIDE

Power stations - 30 per cent.
Home heating - 15 per cent.
Commercial and public services - 6 per cent.
Oil refineries, iron and steel - 9 per cent.
Other industry - 15 per cent.
Road transport - 22 per cent.
Others (eg aircraft, railways, shipping) - 3 per cent.
(In 1995, Britain's CO2 emissions totalled 543m tonnes.)



Branching out: Japanese environmentalists trying to blend in to the landscape at a protest against greenhouse gas emissions

Photograph: Kazumasa Kasahara/AP

Life's a gas when Carbonosaurus meets the tree people

Outside the Kyoto International Conference Hall, past the Gas Mask Please Tree and next to the Melting Ice Penguins, is a blood-curdling poster. Handwritten by South Korean environmentalists in brightly coloured felt-tips, it leaves little doubt about the horrendous consequences if the COP3 environment conference breaks up tomorrow without an agreement on reducing greenhouse gas emissions. "Delegates," it warns, "We will make you Rowing Boats Slaves in the Water World If you fail to Stop Global [sic] Warming!"

Whatever its consequences for the plant and animal kingdom, the threat of global disaster has had a marvellous effect on the world of non-governmental organisations. As the earth has got hotter and the

ice caps smaller, green NGOs have become more numerous and energetic, and for the last nine days in Kyoto, they have been on display all their gorgeous biodiversity.

The 160 governments participating in the Kyoto conference have brought 1,500 official delegates between them, but they are far outnumbered by some 3,500 NGO members. Alphabetically, these range from Action for Solidarity, Equality, Environment and Development (A-Seed) to the Wuppertal Institute. Numerically they range from the Solar Electric Light Fund (sole delegate: Ms Laura H. Kosloff) to the Kilo Forum, a giant coalition of Japanese groups, whose 385 delegates easily outnumber the 98 officials from even the mighty United States. Each

SKETCH BY RICHARD LLOYD PARRY

green group has its own goals, membership and tactics, but deep down all share the sentiment expressed in the Korean poster: a fervent willingness to shackle to the rollocks of the slave galley any government considered insufficiently green. Strategies vary. The big NGOs, like Greenpeace, Friends of the Earth and the WWF, are slick lobbying outfits with good contacts in the delegations and impressively deep pockets. Greenpeace's star attraction is the "Carbonosaurus", a 15ft-high, 3-tonne sculpture of a

Tyrannosaurus rex, fashioned out of car exhausts, oil cans and petrol pumps as a "monument to stale technology". The ships and trucks which transport it around the world must generate a fair quantity of carbon dioxide themselves - but the creature, adorned with the name of loathed multinational like Ford and Shell, provides the conference's wackiest sideshow.

All week, the smaller groups have staged a variety of stunts, demos and gimmicks. The Koreans were highly active over the weekend, carving a

pair of penguins out of antartice ice, and adorning the shrubbery around the conference hall with multi-lingual speech bubbles: "Gas mask please," beseeches one bush; "Your loophole is our muse," proclaims another. Greenpeace has been serving green coffee brewed from solar power heated water, and another group set itself the exhausting task of laying on music from a tape player powered by bicycle.

There is a Women's Caucus, and a group of ecumenical clerics who blow a traditional Jewish horn to summon the faithful to prayers for the environment. There is a group called the G-21, consisting of 21 children from 21 countries, aged one to 21, who yesterday smuggled themselves past security to petition CO2 cuts from a recalcitrant US senator.

The common language is English, but it is being stretched to its limits: an event over the weekend, apparently a lecture by a group of jazz-playing, mountain-climbing entomologists, was described in the NGO programme as "Akira Sakata Trio Live and Talk Himalayan Glacier. Take a Look at the Water Flea".

"Any agreement is better than no agreement, but we're in a difficult position," says Jonathan Woolf of Greenpeace International. "We'd like to say that even a 5 per cent cut is good news. But we can easily be misrepresented, and the danger is that something will be agreed that will just let all the politicians go back to sleep again."

"People like us have got to make sure that they don't get away with it."

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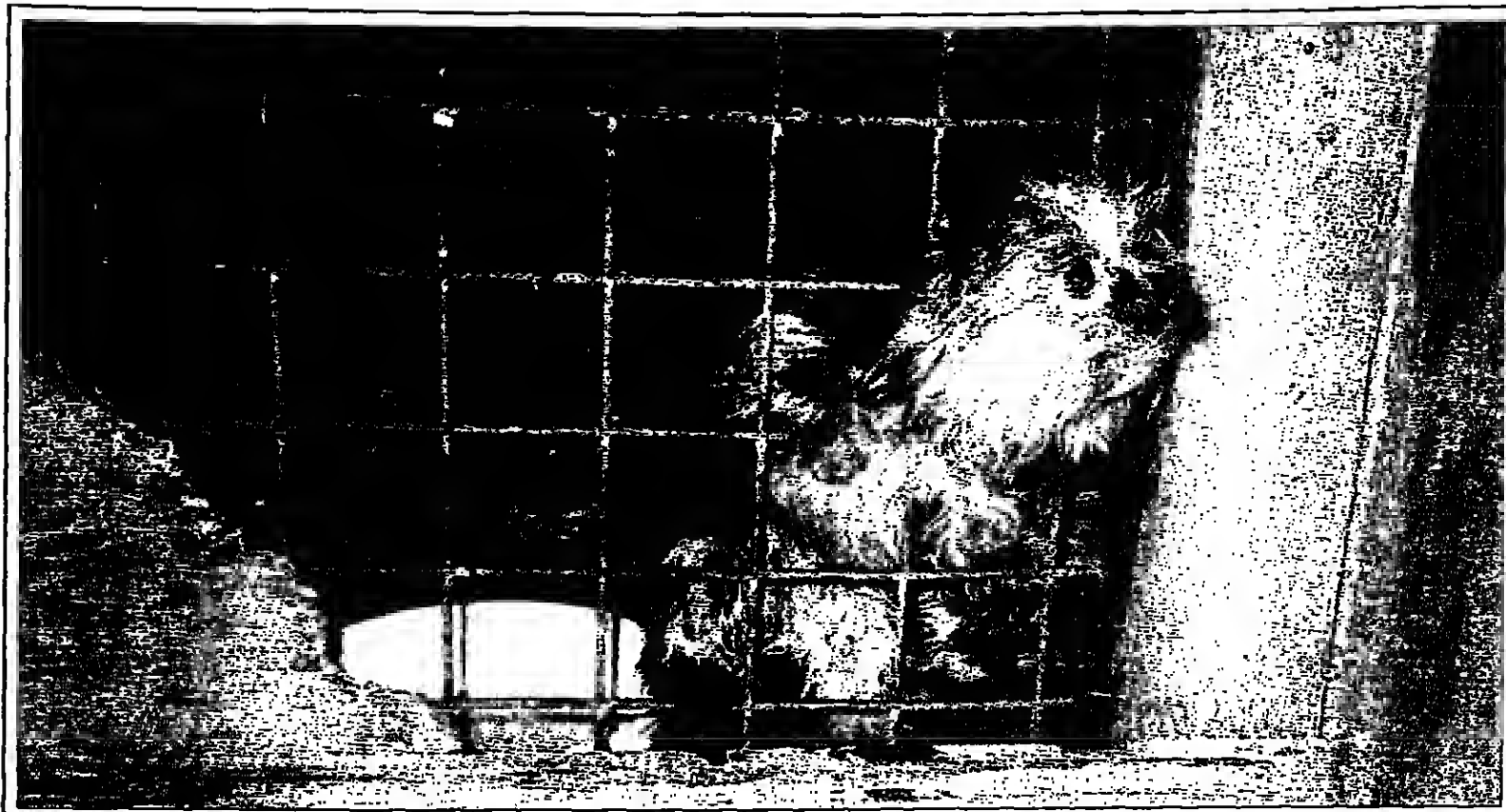
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A Yorkshire terrier puppy living in squalid conditions on a puppy farm in Wales. A Private Member's Bill launched yesterday by Mike Hall, Labour MP for Weaver Vale, aims to shut down illegal farms and improve welfare standards among the registered commercial breeders

Social partnership trial ends in failure

Ministers are facing considerable difficulties in their attempts to involve unions and employers in policy-making. *Barrie Clement, Labour Editor, looks at disagreements over a law on union recognition and the flagship New Deal programme for the unemployed.*

The Government's first experiment in Continental-style "social partnership" between capital and labour ended in failure yesterday on the issue of union recognition.

Union leaders and the Confederation of British Industry conspicuously failed to reach a

consensus on how a law enforcing employment representation at work might be drawn up.

Ministers' relationship with unions also came under strain over the Government's New Deal for the unemployed which came under fire from workers' leaders for introducing benefit penalties for those who refused to participate in programmes.

On union recognition, the TUC and CBI struck deals on points of little contention, but there was no agreement on the most critical elements.

John Cridland, of the CBI, urged the Prime Minister to think again over the intended legislation, declaring that legally-backed recognition would not work.

John Monks, the TUC's general secretary, described as "ridiculous" some of the positions taken up by employers' leaders.

In particular the two sides failed to agree on what constituted a "majority" when voters were deciding on recognition. Labour's election manifesto stated that unions should be recognised where a majority of workers voted for it.

The TUC contends that it should be a majority of those voting, while Adair Turner, director-general of the CBI, argues that it should be a majority

of all those eligible to vote. While the CBI believes that such a test was needed to prove the case, Mr Monks pointed out that few governments enjoyed such a degree of endorsement from the electorate.

"If 60 per cent vote for union recognition in an 80 per cent turnout, that should figure recognition. If it failed to do so, it would lead to desperately bad industrial relations and a recipe for conflict," he said.

And in a Continental-style attempt at social partnership the TUC and CBI were to develop a joint paper on the issue, but they have failed to do so. Mr Monks and Mr Turner will today present their submissions to Margaret Beckett, President of the Board of Trade.

Another point at issue is employers' insistence that there should be 30 per cent support from the relevant employees before a ballot on recognition was triggered. Mr Monks said, however, that such a mechanism begged the question of what was the "relevant bargaining unit".

Other conflicts emerged over the CBI's insistence that small business should not be involved; that pay, hours and holidays should be subject to negotiation, but not training and there should be a ban on industrial action in support of recognition.

Former MP faces Hague crackdown

A senior former Tory MP, Sir John Gort, is facing expulsion from his party today in a crackdown on local party rebellion by William Hague.

A Conservative Party hearing is expected to recommend the dissolution of Sir John's Hendon association, effectively expelling its members.

Tory officials are insisting the move follows alleged irregularities. But Sir John said last night it was a move to punish the party for supporting him in voting against the past government, over the closure of a casualty unit.

"This is a test case. It is about how the Tory Party is government and whether the grass roots has the right to speak up for the grass on which they live," he said.

"This is a cynical operation using a handful of malcontents to ensure that those who voiced

dissent are snuffed out of politics. If party headquarters succeeds, you can say goodbye to independent Conservative MPs and local parties." On 1 May, Sir John lost his seat to Labour after 25 years.

The chairman of the association is George Ward, the head of the Grunwick processing firm, which was involved in a lengthy trade union battle in the 1970s. Mr Ward last night confirmed he had recruited to the party association his two sons and a number of employees, some of whom lived many miles outside the constituency.

But Mr Ward denied any impropriety in recruiting from his own workforce. Mr Ward, who pays Sir John a retainer, accused Mr Hague's leadership of producing a "new climate of intolerance".

— Colin Brown
Chief Political Correspondent

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Blair puts parents in firing line over school attendance

Cutting truancy and school exclusion rates were made the "top priorities" as the Government launched its Social Exclusion Unit yesterday. The Prime Minister promised a return to "one nation values" but, as Glendo Cooper and Collin Brown report, Tories also accused him of "wealth distribution on the sly".

Parents could be fined up to £1,000 if they fail to make sure that their children are attending school, the Government warned yesterday as its Social Exclusion Unit was launched by the Prime Minister.

At the launch at Stockwell Park School, in Lambeth, south London, Tony Blair described the unit as one of the "most important new initiatives of this government", which he hoped would achieve "Britain rebuilt as one nation". "Social exclusion is about income, but it is about more," he said. "It is about prospects and networks and life chances. It's a very modern problem and one that is more harmful to the individual, more damaging to self esteem, more corrosive for society as a whole, more likely to be passed down from generation to generation than material poverty."

Mr Blair said that truancy and school exclusions were the



Nehary Green, 16, from Stockwell Park Secondary School, standing with Tony Blair at the opening of the Social Exclusion Unit in Lambeth, south London, yesterday. Photograph: Nicola Kurtz

"top priority" for the unit as Estelle Morris, the schools minister, said yesterday that education welfare officers "should not be afraid to prosecute [parents] wherever... appropriate".

Maximum multiple prosecutions could mean fines as high as £1,000 for persistent offenders. "Persuasion works with some families but not all," she said.

David Blunkett, Secretary of State for Education, also unveiled £200m plans for after-school homework clubs, to help children unable to study at home.

Mr Blair gave the clearest signal so far that his government is seeking to redistribute wealth through the unit. Downing Street said the speech was aimed at "nailing the myth" that the

Blair government is not making any difference to ordinary lives in Britain. But Mr Blair's speech was immediately attacked by senior Tories as part of an agen-

da to achieve wealth redistribution "on the sly".

"This isn't just about compassion," said Mr Blair. "It's also about self-interest. If we can

shift resources to preventing [problems], there will be dividend for everyone."

The launch of the unit follows a series of initiatives which

will redistribute resources from the rich to the poor. These include the establishment of health action zones, where money will be targeted at deprived

areas; the introduction of Individual Savings Accounts with cuts in tax relief for owners of PEPs worth more than £50,000; and a review of the welfare state.

The cuts in tax relief on PEPs led to criticism that the Government was attacking the middle classes. The criticism was fuelled yesterday with a report that the middle classes will lose out from a review of spending which is considering taxing child benefit and means-testing prescriptions and state pensions.

Appearing to refer to the growing row over benefit cuts to lone parents, Mr Blair said yesterday: "We are accused of breaking promises we never made... So let me spell it out again. We can't do it all at once. It will take time."

MP faces
crackdown

Exclusion: What the students think

Rashad Ahmed, 18, is studying for a BTEC in computing at Havering College in Hornchurch, Essex, while working part-time to a shop in Canary Wharf. He worries that an earlier exclusion "for smacking this geezer in the mouth" may jeopardise his chances of finishing the course.

"He was calling me names and punching me. He was getting on my nerves, so I hit him. I would have been prepared to sit down with him and work it out, but both of us were excluded for fighting - he wasn't allowed back. I just sat at home and did my assignments. I got more done that way, but it's boring at home. I'd rather have worked in the classroom."

"I was used as an example. My current course leader thinks I'm trouble. I think he wants to kick me out. I'm not normally a bad boy. My classmates think I'm a trouble-maker. I tried harder to be good when I got back, but you can't help being yourself. What I did was stupid, but all this is unfair. If I was a teacher, I'd counsel pupils one on one

and see how they progressed, help them get along. I've since met the boy I hit and we just started talking, we sorted it out. It's a shame that didn't happen sooner."

Jonathan Lyle, 16, who was excluded six or seven times while he was at secondary school, agrees that teachers need to develop a different relationship with their pupils if exclusions are going to be cut. He now works as an accounts assistant at Barclays Bank in central London.

"I started getting excluded in the first year at secondary school for something like fighting. It degenerated from there because I got a bad name for myself. Although I consistently achieved good results, teachers took every opportunity to knock me down. "Being excluded didn't change my behaviour at all, it just turned me off education. Why do you think I left school at 16 to work?"

Names have been changed.
● Report by Children's Express, a programme of learning through journalism for children aged 8 to 18.

Ahern and Trimble mend bridges

The Dublin government and the Ulster Unionists yesterday appeared to repair recent damage inflicted on their relationship with a cordial meeting at the multi-party talks at Stormont.

The Taoiseach, Bertie Ahern, also broke new ground during his visit to Belfast by becoming the first serving Irish Prime Minister to enter Belfast City Hall, once regarded by Catholics as a bastion of Unionist domination.

But the main focus of attention was the encounter between Mr Ahern and Mr Trimble at Stormont. The two politicians had a successful meeting several weeks ago, following which both sides indicated they believed they could do business together.

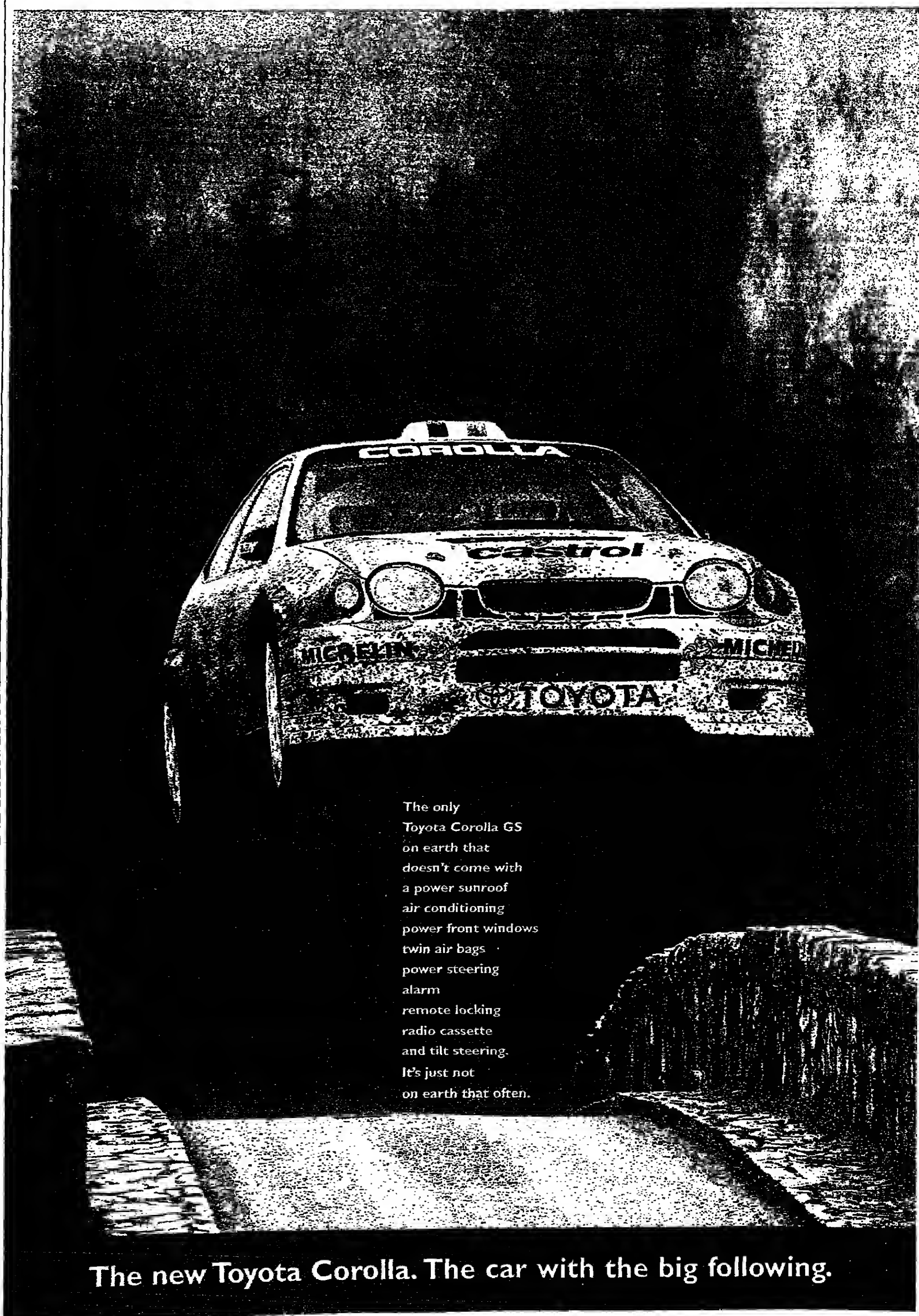
The developing relationship took a blow last week, however, when Unionists took strong exception to comments from Mr Ahern's recently-appointed foreign minister, David Andrews, who raised their hackles by saying that a proposed new cross-border body would have powers so wide that it would be "not unlike a government". Mr Trimble said: "We had a

discussion which was reasonably friendly but also fairly forthright. I think we agree that we put last week and the rather unfortunate remarks behind us." Mr Ahern commented: "People are clearly focusing now and getting in detail. Every single party has an air of confidence that we are moving in the right direction."

In one potentially ominous development, however, the sister of IRA hunger striker Bobby Sands has gone public with a challenge to Sinn Féin's involvement in the peace process. Bernadette Sands McKevitt told RTE: "What is now on offer is more or less a modernised version of partition. So therefore we feel it is not actually a solution. I would be fearful for future generations. We want to raise the awareness of the public to the situation. At the moment it is early days."

She has helped establish the "32 County Sovereignty Committee" in the hope of attracting more dissidents from Sinn Féin. In her radio interview she strongly denied reports that she had been a senior member of the IRA.

— David McKitterick



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Children sent to formal school too early, says minister

A senior Labour figure yesterday urged the Government to be more radical in its plans for raising standards in schools. Judith Judd, Education Editor, listened to the views expressed at a Fabian Society seminar.

Children are failing to learn to read and add up because they are being sent to formal school too young, the seminar heard. The senior Labour figure said: "We have too many four-year-olds in schools and there is a growing body of evidence that we have got it badly wrong. Is there a link between poor literacy and forcing kids to start school too young?"

In countries such as Hungary, Switzerland and Flemish-speaking Belgium which were more successful in teaching literacy and numeracy than Britain, formal teaching of the three Rs did not start until children were six or seven.

Before six or seven they had a structured curriculum but it did not include reading, writing or arithmetic. They were taught skills such as speaking, paying attention, listening, using their memory and motor skills, said the figure, who cannot be named because of the rules governing the seminar.

In Switzerland, parents can choose not to send their children to school at six and 15 per cent wait until they are seven. By next September, the Government has promised, every four-year-old will have a nursery, playgroup or school place. Local authorities are drawing up plans to achieve this, but first signs are that most four-year-olds will continue to be taught in reception classes. The Department for Education said yesterday that a quality assurance consultation on all early years provision would take place in the New Year.

Ministers are piloting early years centres of excellence which will bring together services for the under-fives. One expert at the seminar said that other countries such as New Zealand which began reading early tended to have the same difficulties as Britain: a wide gap between children at the top and bottom and poor performance in literacy and numeracy.

Some of the worst offenders were independent prep schools. "They try to get on with these things far too early. Lots of children are damaged and have to be catered for in the state system."

During a discussion on private schools, the senior Labour figure, who supports most of the Government's education initiatives, urged ministers to use the threat of the removal of charitable status as a stick with which to beat private schools. Two weeks ago, ministers announced a new partnership with independent schools and promised not to support the removal of charitable status. The figure said: "I would go much tougher than the Government on charitable status."

Charitable status goes back to 1603 when all education had a charitable purpose. Now that we have universal state education we have to question whether it remains relevant. Ministers have emphasised that private schools will not be forced to form partnerships with state schools though they hope some private schools will help prepare some state school pupils for Oxbridge and in minority subjects.

Missing girls safe and well

Six schoolgirls lost overnight in atrocious conditions on Dartmoor sang songs as they huddled together for warmth in a three-person tent while rescuers were looking for them, it emerged yesterday.

They huddled down for the night in the wilderness north of Princetown, hours after they got lost in mist and driving rain. They walked off the moor yesterday near Postbridge - their original destination on a 12-mile hike - as a search by two helicopters and 120 members of the Dartmoor Rescue Group, some with dogs, resumed.

The youngsters, all 14- and 15-year-old pupils at Torpoint school, south-east Cornwall, were on a school hike aimed at developing map-reading and orienteering skills. They were named by the school today as Debbie Curran, Caroline Barker, Emma Matthews, Becky Goodman, Jade Bonito, and team leader Charlotte Clare.

Caroline Barker said the weather was "really bad" as they set off for the checkpoint on Conies Down Tor. "We seemed to be walking for ever and ever and just missed it."

When a pre-arranged escape route did not work, they pitched camp. "All six of us were in a three man tent," said Caroline. "It was pouring with rain, and we started singing songs to keep us warm."



Going home: Four of the six girls returning home yesterday. (l-r) Caroline Barker, Becky Goodman, Charlotte Clare and Debbie Curran. Photograph: PA

Plan to clear waste from nuclear reactor shaft

Old laboratory coats and centrifuges, stainless steel tubes, canned radioactive strontium, lead bricks, empty boxes are all in the Dounreay Intermediate Level Waste shaft - along with amounts of highly radioactive materials. The experts' advice is get it out. Charles Arthur, Science Editor, reports.

The UK Atomic Energy Authority (UKAEA) is waiting for the Department of Trade and Industry to approve an ambitious plan which would end growing fears of a second explosion in the Dounreay fast breeder reactor's disposal shaft.

Among the most popular suggestions is one that the water-filled shaft, 65.5m (215ft)

deep, should be frozen, and the contents - reportedly including enriched uranium and plutonium - lifted and removed.

This suggestion, from an international consortium led by the nuclear engineering company Dames & Moore, is the most radical, yet logical, on the table. It would mean that the relative positions of waste in the shaft would change minimally. That would reduce the risk of an explosion that could otherwise scatter radioactive material over a huge area of the Scottish coast.

The simple alternative, of sealing the shaft, would be cheaper in the short term. But in the long term it carries the severe risk of leaking radioactive material into the water table and the sea, as water permeates into the shaft.

Either option will take up to 20 years and cost several hundred million pounds, said a

spokesman for the UKAEA yesterday. He declined to say whether the UKAEA had suggested removal or sealing, but independent experts agree that removal is far more sensible than leaving the waste there. A study in 1994 by AEA Technology, an independent consultancy, concluded that "doing nothing is not an option".

The material crammed into the shaft has already exploded once - on 10 May 1977. The explosion had such force that a concrete plug 24 metres from the bottom was blown up the shaft, where it broke through the concrete cover, showering the adjacent beach and area with radioactivity.

Removing the waste, which consists of a haphazard collection of contaminated items and radioactive sources dumped since the shaft was dug in 1955, would be financially more expensive, but far safer in the long term.

Seeds of childhood leukaemia may be sown before birth

The origins of childhood leukaemia may lie in the womb. Jeremy Laurance, Health Editor, examines research suggesting that substances, such as alcohol, to which the foetus is exposed may be a cause of the commonest childhood cancer.

Examination of blood samples taken from children suffering from leukaemia which were compared with blood taken at birth have revealed that the same cancer cells were present when the children were born.

The discovery, by scientists from the Institute of Cancer Research in London, confirms what has long been suspected: that childhood leukaemia starts in the womb.

Professor Mel Greaves and his colleagues, whose findings are published in the US journal *Proceedings of the National Academy of Sciences*, say they apply to only one type of acute lymphoblastic leukaemia, associated with an abnormal gene, which accounts for one in 20 cases of childhood cancer. However, they say the technique they have developed can be used to trace the origin of other childhood leukaemias.

Professor Greaves said: "It made sense to start with a leukaemia with a convenient molecular marker. It confirms what we suspected. The hints are there that in general there may be a foetal start (for all childhood leukaemias)."

Most cases of childhood leukaemia develop between the ages of two and six, but infant leukaemia begins between six months and one year of age. In these cases it appears that what

happens in the womb is enough to cause the disease.

In older children the researchers believe there is an exposure in the womb which makes the child vulnerable but which is not sufficient on its own to start the disease. Later, a "second hit" such as an infection triggers the disease. "It is like a bomb waiting to go off," Professor Greaves said.

A large US epidemiological study has linked drinking in pregnancy with infant leukaemia. But other substances also have a similar effect, including benzene, a constituent of petrol, antibiotics and other medicines.

"There is a list of potential villains," Professor Greaves said. "A lot of women are exposed to them and the disease is rare. That is the way cancer is - it strikes at random. I don't want to worry women who have had a couple of drinks in pregnancy."

Scots farmers end protests as beef talks are agreed

Scottish farmers yesterday agreed to end their port protests after a setting talks with Secretary of State for Scotland, Donald Dewar, on 16 December.

But the blockades were continuing at other ports with the biggest yet organised at the port of Liverpool last night. Farmers leaders urged protesters to "keep up the pressure" on the Government as they launched a major campaign to win public sympathy for their cause.

Adverts placed by the National Farmers Union are due to appear in national press today urging shoppers to buy British and to sign a petition calling on the Government to come up with a package of measures to alleviate the crisis.

The NFU president Sir David Naish said in London yesterday that the Government could end the problems "overnight" by agreeing to apply for £980m of aid to compensate farmers for the strong pound.

Damages for hospital fall

A mental patient who tried to kill herself by jumping from the eighth floor of a hospital is to receive £145,000 compensation for the crippling injuries she suffered. Lawyers for Maxine Griggs, 38, of Letchworth, Hertfordshire, accused North Hertfordshire NHS Trust of negligence in allegedly failing to keep her under proper supervision.

Christopher Gardner QC, for Mrs Griggs, told Mr Justice Eady, a High Court judge, that she heard voices urging her to kill others or harm herself. In April 1992, while an involuntary patient at Lister Hospital, Stevenage, she was allowed out of her ward under a "good-behaviour contract" to buy a newspaper. Instead, she jumped from the eighth floor; her injuries included spinal, ankle and shoulder fractures.

Phone cut-offs to be halted

Customers who do not pay phone bills will be restricted to incoming calls only instead being cut off, the industry watchdog said. Ofcom said it hoped the deal, agreed with the telephone companies, would mean disconnection for debt became a thing of the past. Under the deal, customers who owe money will be given the option of having all calls out blocked except those to the emergency services and the operator while they pay off their debts.

DAILY POEM

An Academic

By I Norman MacCaig

You sit at your fat desk, staring
your brains; you're the tone-deaf man
in the orchestra, you're the frog
who wouldn't a-wooloo go.

What a job is this, to measure
lightning with a footrule, the heart's
turbulence with a pair of callipers.
And what a magician, who can
dismantle Juliet, Ahab, Agamemnon
into a do-it-yourself kit
of semantic gestures.

Tidiness is decent. Trains
have to reach their destinations.
But yours, that should be
clattering and singing
through villages and landscapes, never
gets out of the shunting yards.

I'm a simple man - I believe
you were born, I believe it
against all the evidence.
I would like to give you
a present of weather, a
transfusion of pain.

This week's poems celebrate the work of the Edinburgh poet Norman MacCaig, who was born in the city in 1910 and died there in 1996. They come from his *Selected Poems*, edited by Douglas Dunn and recently published by Chatto & Windus (£8.99).

Christmas Day
25
December

"Thanks ever so much
for the jumper..."

Boxing Day
26
December

"No, really, I do
like it honest..."

New Year's Day
1
January

"So you're sure I don't
need a receipt?"

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AS YOU LIKE
FOR 50p

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Getty takes
high art to
Hollywood

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Guarantee

Getty takes high art to Hollywood

The new Getty Centre in Los Angeles opens this week. It is a vast and expensive monument to culture in a city better known for flashy impermanence. Tim Conwell says some people prefer tinseltown to Goya.

The Getty museum that most visitors to Los Angeles know is a reproduction Roman villa perched above the Pacific Coast Highway in Malibu. It is closed for a major overhaul. Instead, all eyes are on the new Getty Centre, which opens its doors to the public this week. Occupying a high hill, bearing over the 405 freeway in West Los Angeles, its off-white ramparts have been compared by those below to a city state or crusader castle guarding a pass through the Santa Monica mountains.

The architectural merits of the new Getty will be put through the wringer by the international press this week, when a squad of 600 reporters is guided through a three-day preview. The interlocking museum, research, library and administration buildings cover the 110-acre hilltop in a gargantuan arts complex. It was designed and built over 14 years by the New York architect Richard Meier, at a cost of about \$1bn (£625m).

It is a fitting home for the Getty Trust, established with a sizable chunk of the Getty fortune, and now worth \$4.3bn. Meier, often inspired by the Swiss architect Le Corbusier, is winning gushing praise for the glass rotunda, and the use of natural light in the galleries through computerised louvres that regulate the California sunshine. The building is faced by 250,000 blocks of travertine marble, mounted over concrete.

The collection, focused on 19th-century European art, includes crowd-pleasers like Van Gogh's *Irises*, bought for a reported \$35m, Cézanne and Goyas, and *Christ's Entry into Brussels in 1889*, by Ensor.

The Getty, it is said, marks the coming of a late modern monumentalism in a city better known as a place of youth and constant change, where things are torn down as quickly as they are built up. For Los Angeles, a city haunted by its own provincialism and superficiality, it lays a claim to international stature. For those who love the place for the reasons others hate it - that it is faddy, flimsy, and a cultural grab bag - this passing seems a little sad.

It is safe to say that feelings about the Getty, so far, are decidedly mixed - swinging between "Getty basing, and Getty deification", observed one local architect. Some Angelenos wonder what such a lofty enterprise, devoted mostly to the art of dead white European males, means to a polyglot city which is increasingly Asian and Hispanic. The Getty has responded with a city-wide advertising for "Your Getty" - "imagine, discover, explore, enjoy". The museum has revived a perennial debate about the place of high culture in the home of *Baywatch*.

"The cliché of Los Angeles is a city of decay, a city where, as Raymond Chandler put it, the front door is the only part of a house you can't kick through with a boot," wrote Nicholas Ouroussoff, architectural critic of the *Los Angeles Times*.

"The Getty is a finely honed alternative. It seeks to civilise the city's sprawl, to hoist a banner to the Old World values of high art. In doing so, it marks a shift toward making Los Angeles a more traditional city."

Carolyn See, whose books are set in and about Los Angeles, suggests the Getty will give "a little dignity" to a young city, born in the 1880s on the back of a one-dollar rail fare from the east. Other monuments are soon to follow. The long-delayed Disney Hall, with a dauntingly lavish design by Frank Gehry, creator of the Guggenheim Bilbao, has finally got the funding it needs. The Los Angeles Catholic church has commissioned a new cathedral from the Spanish architect Jose Rafael Monco.

Meier's design suffered from the demands of local residents, who insisted on height restrictions, and made him exchange his trademark white construction for a light tan. But it is his mixing of disjoined architectural themes that has brought some of the toughest criticism, particularly from New York, which has historically looked down on California's artistic pretensions.

The Getty has been compared to a corporate headquarters, a medical centre, and a "stack of Deco refrigerator doors", suggesting for many that it "simply does not work" as a whole. "It is hard for people in the North-east, particularly in New York, to accept that LA can do anything that's sophisticated in culture and the arts," said Barry Munitz, the California State University chancellor who will take over as president of the Getty Trust in January. "It's tinseltown, the movie business, and a bunch of Philistines whose brains have been fried by the sun."



Smile! David Piggott filming in Chingford, Essex, and (right, from top) Chingford Day 1958, Larkwood Pool in 1960 and the storm damage of 1987. Main photograph: Kalpesh Ladhigra

Captured on film: the changing times of an English town

An Essex man has filmed the passing of history on the streets of his home town. Paul McCann, Media Correspondent, watches the minutiae of 40 years' living slip past.

The English eccentric is alive and well and living in Chingford. Better known for Lord Tubb and *Birds of a Feather*, the Essex commuter town is home to one David Piggott, a

man who has amassed a unique archive of 40 years of self-made newsreels of his home town.

No world event has been too small that Mr Piggott has not captured its effect on Chingford for posterity. They include the great storm of 1987, the Queen's Silver Jubilee and the time in 1958 when a starlet called Sabrina came to open Tyre Specialists Ltd.

Mr Piggott, a self-confessed news addict, started making super-8 films of his town when he failed to get into the BBC. "They offered me a job in the

accounts department, but I didn't want to spend my life in accounts."

So since then, in his spare time, he has dutifully stalked the streets of Chingford looking for news. He edits his films, collects jaunty soundtrack music, creates titles and narrates a commentary. The result is an archive of films that captures the changing face of Britain over 40 years. Every 12 months he shows his year in the life of the town at a local hall.

He has catalogued changing styles, the increase in traffic and, most obviously, the decline of any sense of community in the average British town.

Where once his newsreels were full of "Chingford Day" parades and local events complete with mayors and hunting, lack of interest has put an end to the annual pageants. Locally owned haberdashers and merchants disappear in front of Mr Piggott's lens to reappear as national chain stores and anonymous burger joints.

"The Silver Jubilee was a time of a wonderful spirit," says Mr Piggott. "I don't think we'll see an event like that again."

The future of the newsreels themselves is now threatened because Kodak has stopped making the kind of film Mr Piggott needs to make his films, and the company has only a few months' supply left.

Not all of the events covered by the newsreels make the most scintillating news stories, but the slower-paced and gentle nature of the past comes through the years to us. Some time during the Seventies a man finds an old coin in his garden and Mr Piggott is there with his camera to film him pointing soberly at the small

hole in the garden where the coin was found. Mr Piggott has found the time to film the changing telephone boxes of Chingford and to record the day the council ordered the end of dustbins and imposed black bin liners. There is a kind of Zen dullness operating in the films that is quietly relaxing, so BBC2 tracked down Mr Piggott and put him in *Picture This*, his series about people who are gently out of the ordinary. After 40 years he has at last managed to get in to the BBC.

● *Picture This* is on BBC 2 on Tuesday at 9.50pm.

EU presidency fuels push for jobs

The Government is to take advantage of its presidency of the European Union to push job creation in the cultural industries where Britain is strong. Chris Smith, Secretary of State for Culture, announced yesterday.

Britain will stage three major conferences and more than 100 events in the next six months as its cultural contribution to its EU presidency.

The Government wants to encourage the television, music, radio and Internet industries across Europe to create jobs. Mr Smith said.

"We are seeing a flourishing of talent and creativity in this country, particularly in the audio-visual industry. The jobs of the future are going to come increasingly from the cultural sector in its widest sense. We intend to explore with our European partners how this can be achieved and encouraged."

Mr Smith's statement was reinforced yesterday by the first repayment of part of a lottery grant to a British film. *Shooting Fish*, the hit British comedy starring Katie Beckinsale, has already taken £4m at the British box office. But it is successful distribution sales around the world that have allowed producers Winchester Films to begin paying back the £980,000 lottery grant, according to Gary Smith, who heads the studio.

The comedy was among the first batch of productions to receive a lottery boost from the Arts Council, which requires partnership funding of at least 25 per cent and a return on any profits.

The first conference under Mr Smith's plans will be a meeting in March of Europe's culture ministers at Shrigley Hall, near Macclesfield, to discuss the reviews of audio-visual policies.

Media company leaders and professionals will meet in Birmingham in April to discuss the challenges of the digital age, and arts professionals will meet at the South Bank in London in May to discuss culture, creativity and employment. The 100 events around the country include an exhibition of Holbein in London, one dedicated to the Nazi victim Anne Frank in York, and a lecture on the Spanish Armada in Plymouth.

Mr Smith conceded that many had been arranged before the UK presidency, and linked in, but he said: "If we had been going to create an all-singing, all-dancing festival, we would have had to launch long before the May 1 this year, and before [the general election on] May 1 we were not in a position to do so."

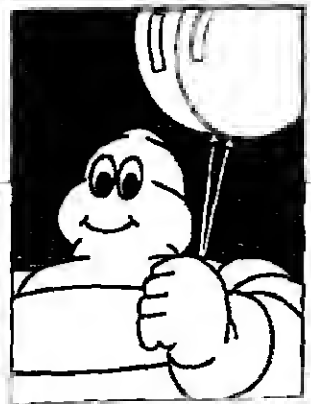
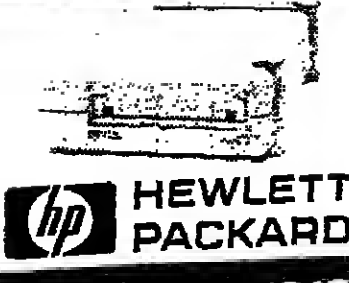
— Paul McCann
Media Correspondent



Rooms with views: The Getty Centre. Photograph: Rex Features

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Police raid Kurdish exiles in terrorism crackdown

In the lead-up to a visit to London by the Turkish Prime Minister today, police have raided two Kurdish community centres in north London. Kurds in Britain see this as part of a creeping campaign against them.

The raids took place at Kurdish centres in Haringey and Stoke Newington, under the terms of the Prevention of Terrorism Act. The search warrant for last month's raids talked of "evidence of contributions towards acts of terrorism money, accounting records, computer records and other documentation".

Legislation still in the pipeline will make it possible to bring prosecutions against those who fundraise in Britain for what are regarded as terrorist activities elsewhere. The authorities already seem eager, however, to toughen up. A police spokesman said yesterday that the raids were in connection with an "ongoing investigation into alleged money-laundering", but added: "As in all laws, there is a certain amount of latitude."

Under existing legislation, searches can be carried out under the terms of the Prevention of Terrorism Act for material of substantial value for the investigation of a terrorist offence.

Many Kurds in Britain are sympathetic to the aims of the Kurdish Workers' Party, the PKK, which is involved in a long-running guerrilla struggle against the Turkish armed forces for Kurdish independence. It is legal in Britain, but the PKK is banned in several European countries, including Germany - which is especially keen to have good relations with Turkey.

Mizgin Sen, co-ordinator of the Kurdish Information Centre, expressed the fear that tougher action against Kurdish groups is "part of a criminalisation campaign against the PKK... this is definitely a sign in that direction."

The US State Department also placed the PKK on a recently published blacklist of "foreign terrorist organisations". Under the American rules, it is a criminal offence to supply funds to the designated organisations. Members of the listed organisations can be denied entry or expelled from the United States. Bank accounts can be blocked.

Last month's snoop on the offices of the Kurdish Workers' Association came ahead of today's visit to London by the Turkish Prime Minister, Mesut Yilmaz, who is due to meet Tony Blair at 10 Downing Street. Turkey's bid for membership of the European Union will be on the agenda. Harsh Turkish policies towards Kurds have been raised by critics of the Turkish government as an important reason for refusing the Turkish application.

The peace campaigner, Bianca Jagger, delivered a letter to 10 Downing Street yesterday, which called for a "peaceful settlement to the Kurdish conflict" and an end to human rights abuses.

— Steve Crawshaw



Female guerrillas of the PKK training in the Bekaa Valley, Lebanon. Many Kurds in Britain are sympathetic to the organisation's aims. It is legal in Britain but banned in several European countries. Photograph: Magnum

Are homeless people worth just 2 minutes of your time?

THE NUMBER OF HOMELESS families in the UK has almost doubled in the last fifteen years. Shelter thinks much more decisive action is needed.

Providing decent housing for homeless people makes economic sense in the long term. The savings on health care costs alone would make it financially worthwhile. And what price do you put on ruined lives? The children, for instance, who may never know a real home...

It's not about politics, it's about getting homeless people decent homes, and off the streets. But to tackle Britain's housing crisis effectively we have to keep in touch with public opinion.

Please spend just two minutes of your time completing this survey, and return it as soon as you can.

If you can also make a donation of £15 (or whatever you can afford) we would be very grateful. Please let us have your answers within 14 days.

Thank you.



1997 Shelter National Opinion Survey on Homelessness

Please help us make this the widest ever survey of attitudes to homelessness. Your contribution will be much appreciated, and your answers treated in the strictest confidence. Please complete and return within 14 days.

PLEASE RETURN WITHIN 14 DAYS

Q1. Are you aged:

18-24	25-34	35-44
45-54	55-64	65-74
75+		

Q2. Do you:

Own your own home or have a mortgage? ☐

Rent privately? ☐

Rent from a Housing Association or local authority? ☐

Live in someone else's home? ☐

Other ☐

Q3. Do you share your home with:

Children? Yes ☐ No ☐

Partner/husband/wife or anyone else related to you? Yes ☐ No ☐

Someone not related to you? Yes ☐ No ☐

Q4. Have you ever been homeless or at serious risk of losing your home yourself (through a tenancy ending, not being able to afford the rent or mortgage, break up of relationship, or other reason)? Yes ☐ No ☐

Q5. Do you know anyone else who is either homeless or at serious risk of losing their home in such a way?

At risk of homelessness Yes ☐ No ☐

Actually homeless Yes ☐ No ☐

Q6. Bad housing can have serious long-term consequences. Please show how important you view these problems (tick one box only for each problem; 1 being the most important):

Children doing badly at school	1	2	3
People suffering asthma, bronchitis and other serious diseases	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
People becoming more dependent on social services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q7. Do you think politicians are at present sufficiently concerned about the plight of homeless people? Yes ☐ No ☐ Don't know ☐

Q8. Would you be willing to write a letter to an MP which might help to get homeless people housed? Yes ☐ No ☐ Don't know ☐

Q9. Would you be willing to make a donation to Shelter to help homeless people? Yes ☐ No ☐

Name: (BLOCK CAPITALS PLEASE)
Mr/Ms/Miss/Ms _____
Address: _____
Postcode: _____
Telephone No: _____

Thank you for your time. If you would like to make a donation, please complete this section below. We suggest £15, but any amount you can give will be greatly appreciated.

Here is my gift of: £15 ☐ Other £ _____

Please enclose your cheque/Postal Order (payable to SHELTER) with this survey OR complete the credit card authorisation below and send it to: Shelter, FREEPOST, Room 60, 88 Old Street, London EC1B 1ND.

☐ Please charge the above sum to my MasterCard/Visa/CAF Charity card no: _____
Expiry date: _____ 97/1/50
Signature: _____
Date: _____

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Siberia crash pilots praised for averting worse disaster

The Russian Prime Minister, Viktor Chernomyrdin, visiting the ruins where 65 people were killed by a jet on Saturday, absolved the pilots and praised the dead crew for doing all they could to prevent a greater disaster. He cited "technical reasons" for the shutdown of two of the plane's engines seconds after it took off from the Siberian city of Irkutsk. The An-124 military transport hit a five-storey apartment. The aircraft was carrying 23 people; most of the other dead were believed to be residents of the apartment block and two children who died in a fire at an orphanage that the plane clipped during its descent.

— AP, Irkutsk

Solidarity relaunched

The Solidarity bloc leading Poland's coalition government relaunched itself. The AWS Social Movement will be the political incarnation of the Solidarity trade union that toppled Communism in 1989, its leader, Marian Krzaklewski, said. It aims to be a strong Christian democratic party uniting many of the 40 small parties that formed the Solidarity Election Action alliance to fight parliamentary elections in September. It defeated the ex-Communists and now controls 201 of the 460 seats in the lower house of parliament.

— Reuters, Warsaw

Chechen bomb suspects held

Security forces detained a Chechen woman for hiding explosives in her Moscow flat and were holding two other Chechen women for smuggling weapons into the city, officials said. The explosives seized were similar to those used in attacks in the cities of Nalchik and Voronezh last year, a spokesman said.

— AP, Moscow

Second World War revisited

Police evacuated all 9,000 residents of the French town of Dugny while experts defused a 500kg World War Two British bomb. Dugny, north of Paris, was heavily bombed in 1943-44 by Allied forces targeting the Nazi-occupied Le Bourget airport. In Oranienburg, a town of 29,000 about 15km from Berlin, police evacuated 10,000 people while experts successfully defused another Second World War bomb.

— Reuters, Paris

King Size Dick fired up

A popular Cologne singer, King Size Dick, escaped unhurt from his flat when fire broke out during a dinner party. He was hosting a party for guests including the Mayor, Renate Canisius, and media figures. King Size Dick was born Heinz Ganss in 1942. As a young singer in Britain in the 1960s he was given the nickname "King Size" by friends for his size - six feet tall and 250lb. He returned to Cologne and local fans added "Dick", which means "fat", to his stage name.

— Reuters, Cologne

German officer in neo-Nazi scandal

Lieutenant-General Hartmut Olboeter, head of the personnel department of the defence ministry, yesterday became the highest-ranking casualty in the undeclared war being waged inside the German armed forces. Gen Olboeter, a 57-year-old Berliner who lists "history and sport" as his hobbies, was suspended pending an investigation into the second neo-Nazi scandal to hit the Bundeswehr within a week.

The general was the head of the army's top academy in 1995, the year when a certain Manfred Roeder was invited to lecture to his staff. Roeder, who had spent eight years in jail for torching a refugee hostel and causing the death of two Vietnamese immigrants, was a known neo-Nazi.

Volker Rühne, the defence minister, revealed yesterday that up to 30 officers had listened to the lecture, without recognising their illustrious guest's name.

Nor did the subject of his lecture - "German resettlement of the Kaliningrad region" - set any alarm bells ringing. Kaliningrad is the Russian name of the former East Prussian city of Königsberg, flattened during the Second World War, its Teutonic population driven out and the rubble repopulated with Russians.

The 68-year-old neo-Nazi leader presented himself as representative of a charity named "German-Russian Community Workshop - Association for the Support of North-East Prussia". The goal of this charity is to help ethnic Germans fleeing from hardship in the former Soviet Union to resettle - not in Germany - but in East Prussia.

It was on this subject that Roeder spoke to the academy's staff, and it was for this "humanitarian" cause that his organisation received help: the gift of a van and two smaller vehicles. Before imparting its donation, the defence ministry had checked with another government department. The foreign ministry's verdict was that the "charity's" activities were "in the interest of Germany".

The Roeder affair is the fourth neo-Nazi scandal to pop up in the German media this year without warning. Videos, pictures and lectures of two years ago are being leaked to the press from dubious sources. The result is turmoil, and more revelations are certain to come.

— Imre Karacs, Bonn

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Keeping the peace becomes a job for life

If the Dayton peace accord had gone according to schedule, the international community would now be looking at a gentle withdrawal from Bosnia. But the talk at today's Peace Implementation Council meeting in Bonn is likely to be of greater, not lesser, international involvement. Andrew Gumbel reports on the drift towards keeping Bosnia as a kind of international protectorate.

far - also see no chance to hand over their powers to local authorities any time soon.

At today's Bonn meeting the civilian High Representative's office will be lobbying for binding powers of arbitration to resolve disputes between the federal presidents of the three national groupings. Despite some resistance to such ideas, notably from Russia, the word "protectorate" is being banded about by international negotiators with increasing frequency.

"What we're looking at is a Cyprus situation, in which there is little or no prospect of the core issues being resolved if the international community stays, but every prospect of renewed conflict if it goes," remarked one senior OSCE official.

Once upon a time, it was fashionable to think that elections would solve the problems in Bosnia that four years of brutal but inconclusive conflict had only exacerbated. The international community set up a formidable machine to service the country's complex post-war constitution, with its multiple presidencies, parliaments and local councils that both link and divide the two entities (Serbs on one side, Moslems and Croats on the other).

As a result, Bosnia has elections coming out of its ears. September's municipal polls were so hard to administer that the results were not made known for more than a month. Two weeks ago, the Bosnian Serbs voted for a new parliament. Next year, fresh elections are slated to renew nearly all of the country's fragile institutions.

Rather than leading the country towards greater autonomy, however, the elections seem only to be increasing Bosnia's dependence on the outside world. Not only have Nato and the reluctant US Defense Department acknowledged the need to maintain a considerable peace-keeping force beyond the nominal pull-out date next summer, but the civilian authorities - notably the Organisation for Security and Co-operation in Europe which has both monitored and run all the elections so

far - also see no chance to hand over their powers to local authorities any time soon. The nub of the problem is the continuing sway of nationalist political parties. Trust between the three communities is so low, and fear of renewed conflict so great, that voters feel they have to protect their own grouping's immediate interests first. But that means only growing entrenchment in the positions of the former warring factions, and a near-total breakdown in their common institutions.

September's municipal polls were intended to help address this problem by encouraging refugees to vote in their old homes and thus force two or more hostile groupings to work together. But the Muslim councillors who won a majority in Srebrenica are too scared to set foot in the town, much less co-operate with the Serb leadership that massacred their people by the thousand. There are similar stories of Croat intransigence towards the Serbs in Drvar, or towards the Muslims in Zepce.

In Brcko, the contested city that forms a pivot between the two halves of Serb-held Bosnia, a mixed Serb-Muslim council has been successfully established, but its every move is forever being denounced as unconstitutional or unfair by one side or the other.

Most intransigent of all is the hardline Serb leadership based in Pale in the mountains outside Sarajevo. The power structure established by their wartime



Cold comfort: Nato's peacekeepers face another bitter winter in Bosnia

Photograph: Chris Helgren/Reuters

president, Radovan Karadzic, is still intact and very much under his personal influence, even though he has been indicted for war crimes in The Hague and forced to go to ground.

The international community's biggest hope over the past few months has been the emergence of a rival, more outward-looking Serb leadership under Mr Karadzic's successor Biljana Plavsic, based in the north-western city of Banja Luka. But the recent Bosnian Serb elections, whose results were announced on Sunday, failed to turn the tide convincingly away from Mr Karadzic's party, and now look like creat-

ing a stalemate in which no stable majority can be formed.

Failing a dismantling of the Karadzic machine (his imminent arrest has been rumoured for months, but is yet to materialise), Serb Bosnia looks likely to split into two, with the western half becoming more open-minded and co-operative and the eastern half sinking deeper into paranoid nationalism.

According to their own logic, the Pale authorities have every interest in scuppering the peace process, which explains why there has been little or no advance on such pan-Bosnian issues as an integrated phone system, common passports and

car licence plates, and a common currency.

The international community does have some powerful tools at its disposal, notably aid money which is now flowing more strongly towards Mrs Plavsic's half of Serb Bosnia and markedly less so towards Pale. According to a prominent risk analysis company in London, private investors have not given up hoping that a reasonable venture capital environment might emerge after another election or two.

But progress can never be substantial as long as the political scene remains so intransigent. While the Bosnian Serbs

may be inching towards greater pluralism, there are signs of radicalisation among the Muslims, with an increasingly powerful faction in their own nationalist party talking about setting up an independent, ethnically pure Bosniak state. Relations between the Muslims and Croats in such divided cities as Mostar remain as tense as ever.

Elections have not removed the war-mongers; at best they have curbed their power at the price of political paralysis. No wonder the international community is tempted to take a more proactive role itself - even if this means sinking ever deeper into the Bosnian miasma.

Idea born out of Europe's imperial heyday

In the end it boils down to semantics. Bosnia may be sliding towards the status of *de facto* protectorate of the United Nations. But what exactly does that mean? In a chequered career, the word "protectorate" has variously been synonymous with dominion, "mandated" territory, "trustee" territory, old fashioned colony and a dictator's brutal land-grab.

Essentially, they were creatures of the European imperial heyday. For 44 years until 1956, Morocco was a prime specimen, split between a Spanish protectorate in the north and a French one in the south of the country. Former South Yemen used to be part of a British protectorate of South Arabia. Somalia, until 1960, was divided between a British protectorate in the north, and an Italian-run trusteeship in the south.

Which leads into the next stage of the protectorate game. When Germany was defeated in 1918, most of its ex-colonies came under the umbrella of the inter-war League of Nations, with various countries mandated to run them. Thus South Africa's increasingly contested stewardship of Namibia, New Zealand's Western Samoa, and former German Togoland, divided in 1918 between Britain and France as mandated powers. Britain was the mandated power for Iraq.

With the remaining reputation of the protectorate destroyed by the Nazi dismemberment of Czechoslovakia and the German "protectorate" over Bohemia and Moravia, the names changed. But the game didn't. The League of Nations was replaced by the United Nations. Mandates became trusteeships.

Today the empires have vanished and so have the official protectorates, mandated territories and the rest - now independent states in their own right. The last UN trusteeship, over the Pacific archipelago of Palau, ended in 1995. The sole remnants are 13 tiny British overseas dependencies, a few French islands scattered across the oceans, and US "external territories" like Guam, American Samoa and Puerto Rico.

Even so, undeclared protectorates lived on. Post-war Hungary and Czechoslovakia were nominally independent countries. But as events in 1956 and 1968 displayed, in practice they were at the mercy of Moscow, as the Red Army rolled in to "protect" them from themselves. Or more benignly, take the continuing supervision of France and Italy over the statelets of Monaco and San Marino.

A few years ago, the Somalia of famine, blood and warlords seemed to suggest that the UN protectorate could be a solution for "collapsed" post-colonial states. Unfortunately, Somalia also showed that "nation-building" is a dangerous and thankless business, only for those with the stomach for the long haul. Whether the US and its allies have one for Bosnia is more than doubtful.

— Rupert Cornwell

SERBIA PREPARES FOR SECOND ROUND IN ELECTIONS

Milan Milutinovic, the Serbian Foreign Minister, and Radical Party (SRS) leader Vojislav Seselj will fight a second round in elections later this month for Serbia's presidency, their parties said yesterday.

Mr Milutinovic, the candidate of the Yugoslav President Slobodan Milosevic's ruling Socialist Party, won the largest share in the first round on Sunday but failed to gain

an overall majority. Ivica Dacic, the Socialist spokesman, said: "There will be a second round in two weeks with Milutinovic and Seselj running."

SRS estimates that Mr Milutinovic won around 43 per cent of the vote compared with Mr Seselj's 32.5 per cent, and that the turnout among the 7.2 million electorate was only 51 per cent. The voter turnout must

exceed 50 per cent of the electorate for a valid result.

A Seselj victory would antagonise the United States and the European Union. The Radical Party (SRS) leader would be even less co-operative than Mr Milosevic in complying with the Bosnian peace process, including the surrender of indicted war criminals.

— Reuters, Belgrade

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Winnie Mandela ruled out of race for top ANC post

Winnie Madikizela-Mandela appears to be out of the race to become deputy president of the African National Congress after an announcement by party leaders that she has lost the support of the ANC Women's League.

Four days after the end of special public hearings into her alleged involvement in at least six murders in the late 1980s, ANC sources claimed yesterday

that the Women's League had withdrawn its nomination of Mrs Mandela for the deputy presidency.

An ANC spokesman also made the surprising claim that the League was not entitled to nominate anyone for the post anyway. Despite weeks of debate about Mrs Mandela's election bid, this was the first mention that the League, of which she is president, has no

constitutional right to nominate a candidate. As the ANC leadership's claims ran on national radio yesterday the Women's League issued a statement insisting that it had not dropped Mrs Mandela from its nominations list for the party elections to be held next week.

Its general secretary, Bathabile Dlamini, said that "pertinent issues" were discussed at a League meeting at the week-

end but a statement would not be released until the conference.

Despite the confusion it seems that the Women's League - severely split over Mrs Mandela's candidature - has finally bowed to party pressure and dropped her, but is angered at yesterday's premature announcement. It is believed that the League wanted time to work out a face-saving formula to allow it - and its president

- to climb down. Although defection almost certainly spells the end for Mrs Mandela's leadership ambitions - this time round - there is still an outside chance of her reaching the ballot paper next week.

It is still possible that a supporter could nominate her from the floor of the party conference. Her name would then go on to the ballot paper if the nomination had the support of

25 per cent of the 3,000 delegates.

Most provinces - including Mrs Mandela's powerbase, the Eastern Cape - have now announced that they are supporting the leadership's choice.

Jacob Zuma, for deputy president. However, despite heavy pressure from the leadership, Mrs Mandela has still run a close second to Mr Zuma in some provinces, and on the

day the ballot will be one-member one-vote and votes are cast in secret.

The weekend newspapers came out strongly against Mrs Mandela after her nine-day hearing before the Truth and Reconciliation Commission. Her attacks on her accusers and her blanket denial of involvement in murders and assaults allegedly committed by her notorious Mandela United

Football Club were lampooned in cartoons and columns.

Yesterday the respected *Business Day* newspaper called for the party to finally take on Mrs Mandela head-on. Its leader writers said she showed utter contempt for the notion of accountability, and that she played on the dissatisfactions of the poor without presenting any alternative policies.

— Mary Braid, Johannesburg

US urges caution on Nazi cash hunt

US officials leading the effort to recover Holocaust-era assets yesterday urged city and state officials from around the country to refrain from imposing sanctions on Switzerland.

In a speech read to a conference of finance officials in New York, Stuart Eizenstat, Under-Secretary of State, suggested punitive measures against Swiss banks were "not only unwarranted but also would be counter-productive".

The conference is expected to approve the formation of a committee to monitor Swiss banks that may have moved some of the missing funds from Europe to their US branches in the 1930s and 1940s.

The banks most closely involved were the *Swiss Bank Corporation* and the *Union Bank of Switzerland*. At the weekend the SBC was censured by the New York Governor, George Pataki, for allegedly holding back information requested by the state. In October Californian officials said it was suspending all business with Swiss banks pending a satisfactory conclusion to the investigation into Holocaust assets.

Mr Eizenstat told yesterday's conference: "I see little wisdom in increasing pressure just when progress is finally being made and just when the desired results are finally within reach."

— David Osborne, New York

Air safety call

A formal public hearing into the crash of TWA flight 800 opened yesterday in Baltimore with a call for new safety standards to ensure that flammable vapours are cleared from aircraft fuel tanks.

The call came from Jim Hall, chairman of the US transport safety watchdog, the National Transportation Safety Board, who argued that clearing potentially dangerous vapours was even more important than determining precisely what sparked the explosion that is believed to have caused the disaster.

The Paris-bound plane, a Boeing 747, exploded 12 minutes after take-off from Kennedy Airport, New York, in the evening of 17 July 1996. All 230 people on board died. Although most of the wreckage has been recovered, the exact cause of the crash has still not been established, although sabotage has been ruled out.

— Mary Dejevsky, Washington



The number of people forced out of their homes by hardship or fear - like the Zairean refugees pictured here - is rising, but their chances of finding safe refuge are dwindling, said a UN report out yesterday. Europe, in particular, was closing the door to refugees. Photograph: Reuters

Iraq tries to mend fences

The most senior Iraqi to visit Tehran since the 1979 revolution arrived yesterday to plead Baghdad's case against UN sanctions at an Islamic summit.

Vice-President Taha Yassin Ramadan said he was bearing a message from President Saddam Hussein to Muslim leaders, due to start a summit today. He drove from Baghdad to the Iranian border at Khorramshahr, where he boarded an Iranian airliner for the flight to

Tehran, which Iraq bombarded during its 1980-88 war with Iran. The sight of the Iraqi official stepping from an Iranian plane at Tehran's Mehrabad airport enraged some Iranians, who flooded state television with queries. Mr Ramadan was forced to take his unconventional route to the summit by UN sanctions, which prohibit flights to or from Iraq.

— Reuters, Tehran
Robert Fisk, page 17

Hard luck café

Tel Aviv's Hard Rock Café - sandwiched between the sites of two suicide bombings which killed a total of 35 people - has closed, a casualty of slumping tourism.

"The Hard Rock Café's problem is that not many tourists are coming now to Israel ... and it's very hard to survive without [them]," Raanan Saad, who represents a group of foreign investors in the Israeli franchise, said.

— Reuters, Jerusalem

HK assembly hand picked

Elections Chinese-style made their debut in Hong Kong yesterday, when a hand-picked committee selected 36 people to represent the ex-colony in China's parliament.

Members of Hong Kong's most popular party, the Democratic Party, failed to jump the first hurdle of getting 10 nominations from the 434 electors.

Allen Lee, leader of the Liberal Party, is likely to be the only critical voice. "If I have some-

thing to say, I will say it," he pledged. Mr Lee got far fewer votes than Jiang Enzhu, the head of the New China News Agency. Mr Jiang only arrived in Hong Kong three months ago, and is not eligible to stand in elections because seven years residence is required.

However, this did not seem to bother the electors, largely composed of long-time supporters of Peking.

— Stephen Vines, Hong Kong

Wet-nurse clue to riddle of King Tut

French archaeologists who found the tomb of Tutankhamun's wet-nurse said it shed light on the mysterious boy king who ruled 3,000 years ago. Alain Zivie, director of the mission, said his team was clearing the first level of the tomb of the nurse, named Maya. "We may find another level, maybe more. It's already wonderful, because 'King Tut' ... has always been a myth and because of the discovery exactly 75 years ago by Howard Carter of his tomb," said Mr Zivie at Saqqara, 20 miles from Cairo.

— Reuters, Saqqara

Talking to Turkey

Yitzhak Mordechai, Israel's Defence Minister, held talks on broadening military ties with Turkey. He said that no third party should fear the co-operation between the two countries. In Paris, the US Secretary of State, Madeleine Albright, pressed the Israelis and Palestinians to make key decisions on peace. From Israel she demanded a "credible" new West Bank troop pullback and freeze on Jewish settlements; from the Palestinians she demanded a firmer commitment to protect Israel from attack by Muslim extremists.

— Reuters

Old foes make up

Two of Cambodia's most bitter political rivals vowed to end their differences in the name of peace. "I'm very happy to have the chance to have a discussion with Hun Sen," the opposition leader Sam Rainsy said after meeting the Second Prime Minister, Hun Sen, the country's most powerful leader.

— AP, Tokmnu

Somali toll rises

Doctors in the Somali capital said 41 children had died of cholera and medicine was needed to prevent an epidemic. The outbreak has been blamed on heavy rains since October which caused severe flooding.

— Reuters, Mogadishu

Finns go full pelt

A Finnish fox farmer shot and wounded three anti-fur activists apparently trying to spray-paint his foxes to make their pelts worthless, the most serious incident in a feud between activists and Finland's fur industry, the world's largest supplier of fox furs.

— Reuters, Helsinki

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'I still have no idea how I caught TB'

As tuberculosis returns to affluent societies, even those vaccinated in childhood may be at risk of contracting the illness, as Giles O'Brien discovered. By Sarah Jewel.

Giles O'Brien, a publisher, 38, went on holiday last Easter in Devon with his family before his wife gave birth to their third child. He came back home to London feeling rather more tired than he had expected after a week's break, and woke up with a blinding headache which got steadily worse. He also suffered terrible aches in his legs and lower back. His doctor said he had a slight urine infection and prescribed a course of antibiotics.

But despite taking antibiotics and "guzzling painkillers", Giles felt progressively ill. He had a very high temperature and felt delirious to the point where he didn't know if he was awake or asleep. He started having terrible dreams and kept waking drenched in sweat, exhausted and frightened.

He had one very vivid recurring nightmare. "I was slogging up a hill in a clapped-out seaside town and a really unpleasant spotty lout with a slavering dog at his side kept tracking me. Every time I thought he had gone, suddenly he would be there again and he kept saying things to me like, 'you'd better not move', and I'd say, 'why not?', and he'd say, 'because my dog's got you', and I'd look down and there was his dog with my knee clamped in its mouth. Eventually I hid in a little seaside shack but he kept bursting through the wall panels with a knife in his hand." Afterwards, Giles felt that this man was a personification of his disease.

His wife, Emma, became so worried she called the doctor out on a home visit. He took one look at Giles and decided to admit him to hospital immediately, where he was prodded and poked by a team of doctors who couldn't find anything wrong. Eleven hours later, they were about to discharge him when one of the doctors decided to give him an X-ray, and it was then that Giles was told there was "something odd" showing up on the X-ray and that there was a cavity in one of his lungs. He was eventually diagnosed as having tuberculosis and immediately moved to the isolation ward.

Giles was appalled. "I felt shocked and anxious at the thought of having TB and watched with horror as the nurses inserted a drip into my hand and started sluicing me through with antibiotics." He has no idea how he caught it, or from whom. But it can easily be picked up just from someone else sneezing.

Once a disease affecting all levels of society, TB was exiled to the poorer regions of the



Giles O'Brien is now back home with his wife Emma and their daughters after his nightmarish bout of TB

Photograph: Kalpesh Lathiga

world following the discovery of antibiotics. Today, after decades of being on the decrease, TB is back in more affluent societies. The number of notified cases in England and Wales between 1987 and 1993 rose by 17.2 per cent and a similar pattern was observed in other European countries and the US.

Although the proportion of people catching tuberculosis from middle-class backgrounds is still small, the disease, which is caused by the bacterium of the same name being passed from person to person by airborne droplets, is no respecter of class or creed. Dr John Moore-Gillon, TB specialist at St Bartholomew's hospital and the Royal London hospital, says: "A Eurobond dealer earning a quarter of a million pounds can catch TB, and I have had a patient like that. But it is still more likely to be caught by people who are sleeping rough on the streets and who are undernourished."

Symptoms may include coughing (sometimes hinging up blood), chest pain and shortness of breath (although Giles

had none of these), as well as fever and vomiting. Thanks to antibiotics, healthy patients like Giles will make a good recovery; but dangerous complications can still occur, such as fluid or air collecting between the lung and chest wall.

TB remains the most common infective cause of death among adults worldwide: the World Health Organisation has estimated that in 1993 one third of the world's population was infected with the disease. In 1993 WHO declared TB a "global health emergency", and in March this year introduced a new strategy for managing the drugs that are used to control TB.

Although Giles was vaccinated against TB when he was a child, the BCG does not give life-long immunity and is only expected to last about 15 years. As Professor Denis Mitchinson, research professor in tuberculosis, says: "A vaccine provides 80 per cent protection in childhood against TB but by the time the child becomes an adult the BCG has very much less value." He says no studies have been

done to show if a booster later in life improves protection.

Four powerful and bactericidal drugs have to be taken for six months to cure TB and they can have nasty side-effects, ranging from orange-coloured urine to liver damage to psychosis. More commonly, patients suffer from slight nausea and lethargy. Giles stayed in hospital for a week and then returned home feeling better but very weak and slightly jaundiced by the drugs.

He tended to feel faint in the mornings and it was hard work getting through the daily line-up of pills: "There was a lot of munching at breakfast time." He had to give up drinking as even one glass of wine made him feel woozy and he also developed gout. "I said rather shamefacedly at the clinic one day, 'I'm not sure if I should mention this to you but I've been getting these pains in my knees', and was told, 'oh that will be gout, yes they can give you gout these pills'."

One of the major problems with TB is that the antibiotics have to be taken for a long time to prevent the risk of a relapse.

"The medical profession is terrified of TB coming back and the only way they have of dealing with it is with these massive doses of antibiotics," says Giles. Widespread failure to complete the drug course has led to the emergence of potentially incurable multidrug-resistant TB.

At the clinic Giles attended the walls were lined with notices warning of the dangers of not taking the drugs. "You've got to complete the course, otherwise it is bad news all round, not just for the patient but for the whole community," he says. But it is impossible to force patients to complete the drug treatment. As Dr Moore-Gillon says: "It is a difficult situation because of the issue of personal freedom. We cannot compulsorily treat someone. In the US coercion is used in some states to force people to take their tablets."

Giles' main worry on leaving hospital, however, was for his family. His wife, Emma, was due to give birth any day and they were told that if the baby was born within the first

two weeks of Giles starting his course of antibiotics (when he was still infectious), the baby would need a BCG injection at birth. "It was a nightmare trying to find out who would actually give the injection... no one wanted to take responsibility for making the decision to vaccinate a newborn baby or to administer the vaccination."

Luckily Emma did not go into labour until a few days after the crucial two-week period but they decided when the baby was four days old that he should have the BCG anyway. Emma and their two daughters were tested for TB but much to everyone's relief they all tested negative.

Giles took four weeks off work to convalesce at home and slowly built up his strength pottering about and "doing a bit of DIY". The episode has left him feeling slightly debilitated. But he is now fitter, and enjoying the odd glass of wine.

Information on TB is available from the British Lung Foundation (0171-831 5831).

What's so special about psychotherapy?

It may be good to talk – but it makes no difference who's listening, a new study shows. Jeremy Laurence reports.

These are difficult times for psychotherapists. They may be feeling in need of a little post-traumatic stress disorder counselling. For research is accumulating showing that the talking cures they peddle are no better than traditional GP care. The evidence is far from conclusive and there are good reasons why, instead of being downcast, therapists should take heart. But the findings are significant, they are a set back and they cannot be ignored. Too many counsellors and therapists are inclined to dismiss criticism as evidence of professional rivalry or deep-seated hostility rather than taking a clear-eyed look at the way forward.

The latest study, by psychiatrists at the Royal Free Hospital, London, suggests that the success of the talking cure lies in the talking – not in who you talk to.

They compared two groups of about 70 patients, most with depression, who were given either up to 12 sessions of psychotherapy or routine GP care. They all improved significantly over nine months but there were no differences between the groups. Psychotherapy, in other words, is no more effective than chatting with your GP.

At least a third of general practices offer counselling or therapy to help patients with emotional difficulties and thousands of therapists offer their services privately. The number of organisations offering training for counsellors has risen from 76 in 1990 to 545 in 1997, and the number of trained counsellors is estimated to run into tens of thousands. More than 100,000 people are estimated to be "in therapy" of one kind or another but the boom has happened in the absence of hard evidence that it works.

In a commentary on the findings of the latest study, published in *The Lancet* last week, Dr Andre Tylee, a GP and lecturer on mental health at the Institute of Psychiatry, says that the study provides "compelling evidence" that the psychotherapy offered by a counsellor is no better than the sympathetic ear offered by the GP.

This was the broad conclusion of a controversial report by the NHS Centre for Reviews and Dissemination at the University of York in August which concluded that counselling of the sort offered to people undergoing divorce, bereavement or redundancy was useless when practised on its own.

That report was based on a review of existing research and was sent round the NHS by the centre, which is funded by the health department, to encourage best practice. It said the technique "has not been shown to produce sustained benefit in a variety of groups at risk". The finding was immediately challenged by the British Association of Counsellors who said it was "unduly negative".

An earlier review by the Australian psychiatrist, Professor Gavin Andrews, published in the *British Journal of Psychiatry* in 1993, reached similar conclusions. It said no trial had shown psychotherapy to be better than placebo in effecting recovery and the treatment was more expensive and carried greater risks than ordinary GP care. There is an important caveat to be added to this catalogue of gloom. Whatever the results of therapy, patients like it. It is hugely popular.

Professor Michael King and colleagues, who conducted the study at the Royal Free Hospital, noted that although patients treated by psychotherapists did no better than the rest, they were happier with their treatment. This suggests that were it provided privately, patients might still be prepared to pay for it, despite the lack of evidence of efficacy.

GPs like it, too – and for the same reasons. As one doctor put it: "I know there is no evidence that it works but my patients want it, there is nothing I can do for them, it is relatively cheap to provide and it's harmless."

There is a further caveat. If psychotherapy and counselling as presently practised work no better than traditional forms of care, it may be possible to refine them so that they do. The NHS Centre for Reviews report says: "More attention needs to be given to the content and effectiveness of specific forms of counselling and the skills of counsellors before this approach is extended too widely."

There is a parallel here with the development of drug treatments. Several decades ago, the dried and powdered leaves of the wild foxglove were found to be an effective treatment for heart trouble. But the effect was not consistent – some patients got better and others did not. Only when the active constituent, digoxin, was isolated and prescribed did doctors begin to get consistent results.

Similar efforts are being made to refine and develop aspects of psychotherapy to improve results. One promising avenue has been the development of cognitive therapy – the training technique that seeks to correct destructive ways of thinking – for which there is evidence of efficacy. But as the latest research shows, there is much still to be done.



DR PHIL HAMMOND

A sore throat? Then kindly remove your blouse and bra, please

I've been much troubled by tubes lately. I'm not talking hula-hoop cylinders or the wild American hand that gave us "White punks on dope". No, my tubes are far more unsettling. They're an acronym, courtesy of a group of medical students, for Totally Unnecessary Breast Examinations.

Now, a lot of medical examinations are of dubious necessity. We used to stick a finger up the backside of anyone who might have appendicitis, until someone pointed out that it was very uncomfortable and of no help in making the diagnosis. Nurses used to, and some probably still do, take half-hourly blood pressures from anyone who happens to be occupying a bed, again for no scientific reason.

These infringements are misguided rather than abusive, a reflection of protocols and procedures that had been taught many years ago and never updated. But the thought of a group of male students contriving to perform breast examinations in the knowledge that they are unnecessary, and to de-

vise an acronym to celebrate their achievement, is in a different league.

To be fair, I'd never heard of the acronym before, and I'd never heard medical students use it, until Natasha from the *Trust Me, I'm a Doctor* research team unearthed it in a doctor's mess.

However, the taboo of doctors finding patients sexually attractive, and gratifying their desires through the physical examination, is not much talked about at medical school. No one wants to tackle the subject full on. An 18-year-old student hustling with testosterone encounters an incredibly attractive patient. Can he switch off his sex drive, just like that?

One answer came from a brave medical writing in a student journal.

"A 19-year-old woman was admitted to hospital for cystoscopy to investigate the possible causes of a series of urinary tract infections. I immediately noticed that she was very attractive. I began checking her out now and then, as I found myself staring into a pair of inviting

blue eyes. The patient appeared to have developed an affection for me. As I plugged away with totally inane questions, I realised how obvious I could be. I ran through a list of differential diagnoses trying to find one that would require me to examine her ample breasts that were being shoved towards me..."

To his credit, the student bolted before following through with the assault, but was clearly affected by it ("you probably think I'm a worthless lump of hormone") and sought solace in the library.

A Dutch study found that more than half their doctors thought sexual feelings towards patients were acceptable, and 4 per cent admitted to actual sexual contact. In Britain, as you'd expect, the admission figures are lower. The GMC forbids it, and we just don't talk about it.

A breast surgeon did, however, describe his three switches to me. "One is as a man, who finds women sexually attractive; one is as a surgeon, who wants to remove a cancer for good,

and one is as an artist who respects the female form and wants to achieve the best cosmetic result possible. Whenever you put on your white coat, think 'have I got my switches right?' If not, relieve yourself."

Fortunately, I've never needed to, but I was grateful for the advice. Most students get none and, as all doctors do, they displace awkward emotions into black humour and another acronym is born (Remember TF Bundy? – Totally Fucked But Unfortunately Not Dead Yet). But how often do acronyms attitudes become real behaviours?

To my horror, the *Trust Me* researchers found that the female perception of a male doctor examining their breasts unnecessarily is not unusual. Young women spoke of having their breasts examined without explanation when they'd gone in with a sore throat, a new patient registration or even a school medical.

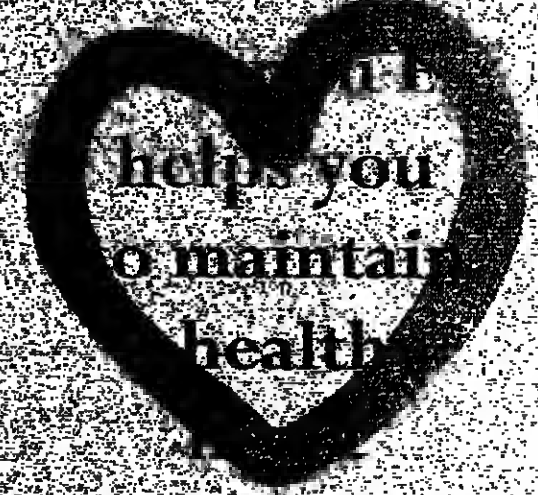

Not only did it cause lasting anxiety, but breast specialists agreed that such routine or op-

portunistic examinations are clinically unnecessary.

So what can you do to prevent Tubes? No one's ever shoved ample breasts in my direction, and I suspect (or, at least, hope) that the number of patients and doctors who get sexual gratification from consultations is small. Many patients have entirely trusting relationships with their GP and are happy to let the doctor decide whether an examination is necessary.

However, there is no diagnostic value in breast examinations as a "while you're here, let's do it" screening procedure or as a routine check (except for HRT, but even this is disputed). Some patients and doctors may be reassured by it, but if you don't want one, decline.

For specific breast problems or symptoms that may be related to breast disease (eg bone pain) then an examination may well be justified, but the onus is still on the doctor to convince you of the relevance and gain your consent. Otherwise, it's assault.

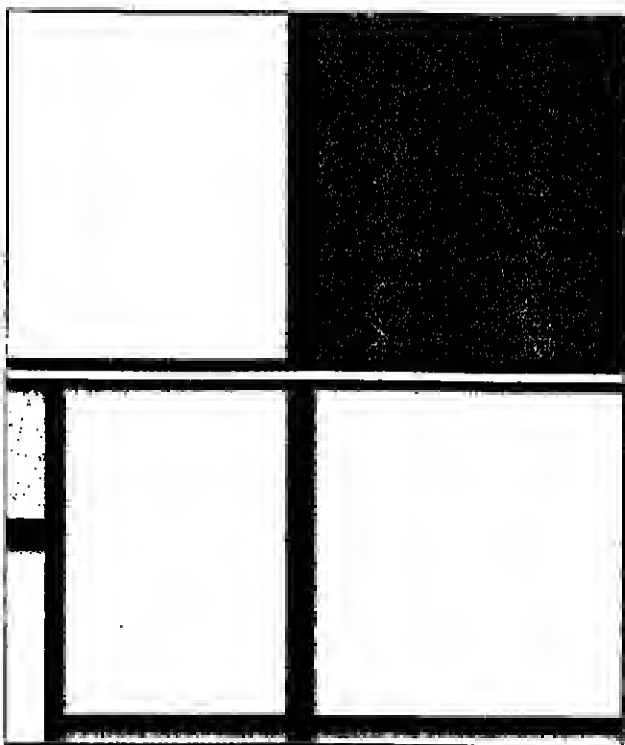



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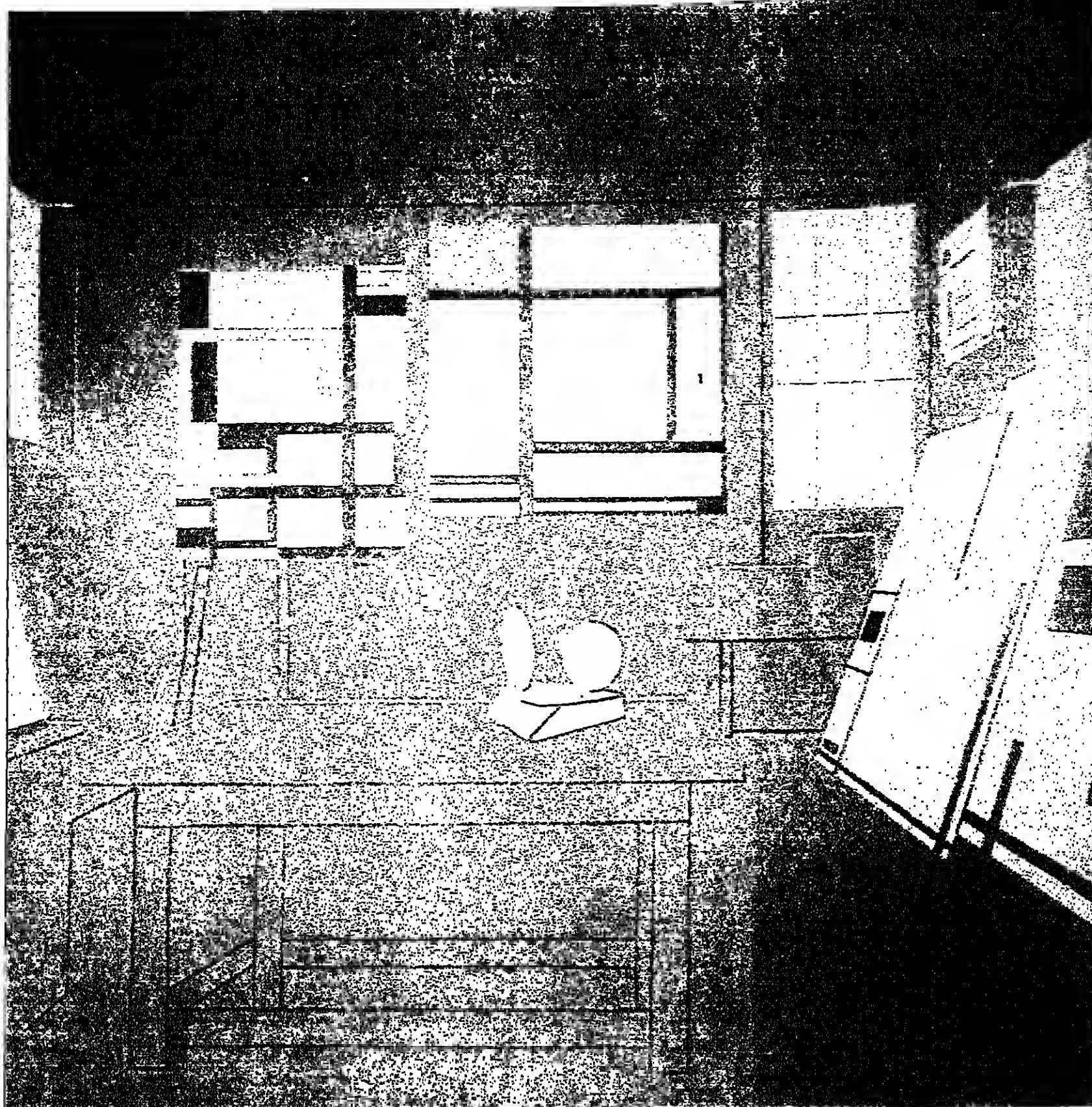
SEVEN SEAS
Health Care

14/VISUAL ARTS



**The project:
to reconstruct the
lost works of a
dead and unjustly
neglected artist.**

**The result: a case
of misattribution
or just mistaken
identity?**



**Mondrian, you might
well think, looking at the
image at the top left of
this page. It looks like a
Mondrian. But it isn't.
And in a way, writes
Tom Lubbock, it couldn't
be, because it does
something that
Mondrian never does.**

In Mondrian's pictures that look like this, there's always at least one vertical line and one horizontal stretching right across the canvas, uninterrupted. Here the only vertical is broken, divided by two horizontals. That kind of rupture, Mondrian always ruled out. It's not a Mondrian. It's a Marlow Moss. A who?

Marlow Moss was a gay, British, female artist – what's the right order for those adjectives? – and a pupil-follower of Mondrian. She is, to put it mildly, little known. She lived from 1890 to 1958. She was christened Marjorie, and became Marlow, and adopted the clipped, mannish dress and haircut that was popular with more or less "out" lesbians in the early 20th century. She spent a good deal of time in Paris, exhibited alongside other De Styl artists, and ended up in Cornwall, where she kept very much to herself.

Moss made several other radical departures from the

Mondrian way, one of them significant, because Mondrian borrowed it back from her. She introduced the Double Line, and you see it in this picture too, with its close parallels. It sounds funny to say that – "Oh, the Double Line, big deal!" – but when you reckon that much of the force and fineness of Mondrian's paintings from the late Thirties (his best, I think) depend on the use of double lines, it's a vital development. But Moss's name hasn't flourished, and partly because most of her work pre-1940 was lost when German bombs destroyed her French studio. Much is known only from photos. In fact the picture above isn't strictly a Marlow Moss. It's a Florette Dijkstra.

Florette Dijkstra is a Dutch woman artist in her early thirties who has an exhibition about Marlow Moss at the Tate Gallery in St Ives. Dijkstra has thoroughly researched the artist, and her centrepiece is a painted reconstruction of the works of Moss, not just the lost ones, but her complete known works. It's a chance, then, to know this unknown art – except that knowledge isn't exactly what the show offers.

Dijkstra doesn't attempt a literal reconstruction. All her "Moss" versions are miniaturised, dooc half-size. They're painted very perfunctorily and thinly, cut with the sturdy and intense brushwork of Neo-Plasticism. What's more, their colours are standardised:

throughout, all the reds, yellows and blues are the same unvarying red, yellow and blue. (Obviously some of the colours had to be guessed from black-and-white photos.) And then, a few of these canvases are blank, to represent pictures that are known from unillustrated catalogues. This isn't the recovering of a body of work; rather, something to stand in for it, the tokens of an *oeuvre*. Accordingly, they're not hung in the normal way, but all close together in a block, about 60 items five rows high, up one wall – as if to say: that's the lot, a life's art, all that survives of it.

So while Dijkstra says that her project's "ultimate goal is to open up a new place in art history for Marlow Moss's work", the show doesn't do a straight reclamation job on a lost and neglected woman artist. It's more about loss and neglect, and making you feel the artist and her art at a remove. Photos of Moss and her Dutch lover exist, but none are in the show; there are only Dijkstra's vague drawings after those photos. Moss's sculptural constructions are represented only by another set of paintings, no 3-D replicas. There are images derived from a TV programme about Moss, a hand leaving through a portfolio (obliquely showing some of her later work, which is mostly in storage). Everything is kept distant, indirect.

A canny but unknowing viewer might even suspect that

Marlow Moss never existed at all, is actually one of those fictional artists that artists invent – and that doubt would be to the exhibition's point. Moss might as well not have existed for all she's remembered, and re-establishing her now is a quasi-fictional enterprise, given how little of her and her work is known; and then thinking about how modern art history would look if Moss had a more central place in it, which arguably she deserves, makes you think this history itself is a kind of fiction. Who decides? Who tells the story? All those questions.

Not had questions, but there's a danger of turning mischance into mystification. Moss, after all, is almost too good an example of a missing artist – she has everything not going for her. Much work destroyed, much squandered away from view; not just a woman, whose influence male artists may have been reluctant to admit, but a very retiring and reclusive operator who didn't really try to get into history. But still, she did exist and some of her work still does, and we can have news about it, rather than making it into an emblem of loss.

There is actually a real Moss on show in the next door gallery at the Tate, among real Nicholsons and Hepworths, while its half-size token hangs among the rest round the corner – a curious near-juxtaposition, but it's telling that the genuine article isn't in the same room as the

replicas. It would rather break the cloud of unknowing that Dijkstra cultivates. It would let in the possibility of direct knowledge and response, and that seems the important thing, however late in the day, however little we have to go on.

Take the Double Line business: Moss started it, and should get credit for that, but it may still be true that the Double Line is only valuable because of what Mondrian did with it, not what Moss did with it. Originality isn't everything. To judge from the replicas, I'd say that was so, and that Moss's best work is when she departs further from Mondrian, with much more fractured scatterings of lines and oblongs. But from these small-scale, notionalised replicas, you can't really tell, and aren't really meant to.

The point is, it could be done another way. Dijkstra's treatment stresses our helplessness to know the absent work. But she or another artist might have been more helpful, might have taken on a more literal reconstruction of the Moss *oeuvre*. The real issue this show raises is about originality in the other sense: the possibility of usefully transmitting an artist's work at second hand. Both modernism and post-modernism are against this. Modernism says that only the artist's authentic hand will do, that or nothing; there can be no valid substitutes for the unique handiwork. Post-modernism favours

imitation as a way of casting doubt on the very idea of authenticity and uniqueness.

But it seems to me there's a middle way here, which allows for unique values in art, but allows too that some of that value can be usefully communicated by substitutes – eg by someone copying a picture very faithfully, or by somebody trying to repaint a lost picture, known from reproduction, as it might have been, drawing on surviving work of the artist (something like Deryck Cooke's completion of Mahler's 10th Symphony).

A gallery of such copies and reconstructions, seriously done, wouldn't be invalid. It wouldn't just be fakes and pastiches. Something of the originals could come through to us. Many old masters are known only through others' copies, but when the originals turn up, you find the copy often wasn't far off the mark. And, frankly, it can't be that hard to do a passable version of a Moss or even a Mondrian – not as hard as it would be to do a Vermeer. Besides, the De Styl artists set out to store by individuality, so it would be quite in the spirit, too. Of course, I'm imagining a different show from the one in St Ives, and a different approach to art from any that now prevails: one not fussed about patet law, but very interested in the distribution of goods.

The Tate Gallery, St Ives (01736 796226), until 12 March.

**Emblems of loss and neglect:
is Florette Dijkstra's rough reconstruction of Marlow
Moss's Mondrianesque 'Black, White, Red and Grey', 1932
(top left), any more or less 'original' than Dijkstra's own
'Marlow Moss's studio in 1958' (above)?**

A poet of the edges of things

**There's no doubt about it. Jeffery
Camp is an artist of the old school.
He's even written a couple of 'how
to do it' guides – unambiguously
entitled 'Draw' and 'Paint'.**

**Andrew Lambirth relishes the solid
virtues and idyllic imagery of his art.**

There are one or two senior painters around who seem to be almost invisible to the general public. In all the shenanigans over the Young British Artists and the Turner Prize short list, some of the older generation have been unfairly eclipsed. Prunella Clough (born 1919) is one, and Jeffery Camp (born 1923) is another. Both work quietly away, held in high esteem by other artists, but strangers to the glare of fame or notoriety.

Camp taught for many years, working at the Slade School of Art from 1963 to

1988, but rather despaired that the teaching principles of his generation would be lost to future students. In this he was not far wrong. In partial remedy he decided to encode his ideas in book form: in 1981 *Draw* was published by Dorling Kindersley, and last year its sequel, *Paint*, appeared. In these two densely illustrated volumes, Camp energetically propounds his beliefs that art comes from detailed observation of the world around us, and from looking intelligently at art of the past. The style of writing is beguiling, idiosyncratic and poetic – all adjectives that could be used with justification to describe his paintings.

An exhibition of his work done over the past 25 years, but consisting mainly of new things, is currently on view at Browse & Darby. In all there are some 45 items on display, a courageous amount for a small gallery, considering that some of the paintings are very big indeed. But because Camp works in so many different sizes and formats, the pictures can be cunningly ac-

commodated and indeed shown to very good advantage.

As you enter the gallery, three large paintings strike the eye with the force of Camp's variety and range. Opposite the door hangs *Beachy Head – night* from 1973. It is a vertiginous composition in greys and greens, painted on canvas on a dynamic eight-sided board, and some 93 inches high. To the left is a thin diamond shape, standing on its point, again of the drop of air beside the cliffs at Beachy Head. To the right is an even more extraordinary picture, a study in intense blues of a pair of lovers reaching into space after a yellow poppy.

Elsewhere in the gallery a marvellously red-lipped girl contemplates a feather, hang-gliders take off, fishermen beach their boats, or a cat hunts under a Thames bridge. These paintings have the tranquil dabbish brushstrokes marvel at the mysteries of creation, at the confluence of man and nature, flickering like the upthrust of

a flame. As a colourist he has grown ever sweeter, whilst losing none of his compositional inventiveness. Jeffery Camp is a poet of the edges of things, which he encompasses with placid dedication – not only the cliff-edge of Beachy Head, but the frame within a frame he often uses to focus our attention. Here is a master at work.

Jeffery Camp is at Browse & Darby, 19 Cork Street, London W1, until 19 December, and in a mixed print show at Art Space, 84 St Peter's Street, N1 until 15 January.



**Marvelling at
the mysteries
of creation:
Jeffery Camp's
'Fairlight Pick-
ling Blackber-
ries', 1997
Browse and
Darby**

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16/LEADER & LETTERS

Social exclusion – stick to problems we know can be solved



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The season of goodwill is upon us so let's not sniff too suspiciously at the timing of yesterday's announcement about the Social Exclusion Unit in the Cabinet Office. That it came usefully close, for ministers with tender consciences, to tomorrow's vote on lone parent benefits was merely curious coincidence. Let's not, in the same spirit, commiserate with the residents of Lambeth's Stockwell Park estate. All too near Westminster, they have been on the receiving end of political visitations and the promises they bring for years and years – during which time they have continued to suffer from the ministrations of (Labour-controlled till recently) Lambeth Council.

Let's instead welcome the Unit. "Social Exclusion" does (in Professor John Hills' phrase) convey a concern with dynamics, the movement of people out of poverty. There is a serious point here, and a reason why the objections to Labour's hard line on benefit levels are wrong. A lump of cash, handed out by the state, does not make a

poor household part of the mainstream. A job does, as does a child attending school regularly with a reasonable chance of getting some GCSEs. Exclusion also has a geographical resonance. There are hundreds of identifiable blocks of housing, mostly local authority or housing association, which exist outside the norms, where crime, drugs, unemployment and disaffection have become a way of life. The solution here is rarely money for property refurbishment; the Tories spent wildly on the fabric of certain estates, to no obvious avail.

If the new Unit bends its mind to "including" people in work, schooling and ownership, this will be an administrative innovation worth celebrating. But will it? As a piece of machinery, it has a lot going for it. Here are a dozen youngish people, seven of them women, who in theory offer intellectual firepower and managerial experience (several of them have been recruited into Whitehall from the real

world). They will be advising a Cabinet Committee chaired by the Prime Minister himself. On a David Blunkett and John Prescott and Jack Straw will be invited to collaborate (and where necessary kicked) on a limited number of projects. The key word there is limited. If you want to change people's lives, concentrate on two or three things that will really work, and don't try to change the world. The Unit will succeed where previous attempts at coordination have failed if it focuses its fire on efforts that we know succeed. The head of the unit, Moira Wallace, seems to realise this: she may have a job convincing political bosses and for quick fixes and glory.

The first issue tackled is one of the best, and most likely to bear fruit: reducing truancy and absence from school by preventive action. But that will have to involve education welfare officers, social workers, police officers, who will have to be coordinated. How will a new Unit achieve that?

In theory the Unit will go out and find examples of good practice and propagate them. Having no budget it will be in no position to bribe, only to persuade. But will the town halls and the chief superintendents and the probation officers and the voluntary organisations listen to a bunch of civil servants sitting at desks in Whitehall? We have, thanks to the Audit Commission, a vast knowledge of how the police and councils might run better. The difficulty is implementation, of ensuring that recommended changes are carried through on the ground. That is essentially a political task. Yet there seemed yesterday to be a curious political innocence about proceedings. During that walkabout in Lambeth, where were the councillors? Local authorities are run by elected politicians. Most of the areas where the socially excluded live are Labour controlled. Doesn't Tony Blair therefore need to make sure his own members are on song?

The Social Exclusion Unit has to bite

on solveable problems where success can be measured. Take truancy, on which the Department for Education and Employment has just issued new guidelines. If, in six months' time, rates of absence from school are not falling, we will know this initiative is not having much effect. Similarly homelessness among the relatively small number of people released at age 18 from statutory care. And also the Unit's third priority, reducing crime on the "worst" local authority housing estates. We know enough – there have been enough previous initiatives – to say that zero tolerance of truancy or homelessness or crime is utopian. There may be a residual population which either won't be helped or cannot be brought into the mainstream. But the effort is worth making. Provided the Government does not raise unrealistic expectations (it might start by avoiding razzmatazz of the sort in evidence at Downing Street's "summit" yesterday), the Unit can make a difference. Let's hope it does.

Post letters to Letters to the Editor
and include a daytime telephone number.
Fax 0171 293 2056, e-mail: letters@independent.co.uk
E-mail correspondents are asked to give a postal address.
Letters may be edited for length and clarity.

LETTERS

Include us all

Sir: I offer two cheers to the Prime Minister on his government's decision to create a Social Exclusion Unit (article, 8 December) with the aim of tackling problems caused by a lack of education, jobs and money, particularly in the inner cities.

It is important that the young have real opportunities for training and work, that the longer-term unemployed are given the skills they need, that the vulnerable and disabled are not forgotten, and that parents under pressure are provided the support they need. If we are not to become a society characterised by public squalor and private wealth, we must learn how to care for one another again. The Government's decision, therefore, to establish a special unit to grapple with social exclusion in a strategic and structured way, merits a cheer of welcome.

As the Government's programme gets under way, it is to be expected that many will want to get on to the handwagon – dare I say, even those who have been the cause of much social exclusion that we see around us. In a way, this is a strength as people are recognising the urgency of the problem and there is much goodwill for a new government. On the principle of "those who are not against us are for us", such offers of co-operation should be encouraged and accepted. Another cheer.

That said, without the contribution of the churches the Government is in danger of missing a trick. That is why I cannot raise a third cheer. It appears that the Government is about to forget those who maintained a prophetic witness in this area, often against the odds. In the area of economic and social deprivation, it is the churches who have played a major role on the front line and maintained relentless pressure on sometimes unresponsive government over almost two decades.

Beyond their local presence and their social analysis, the churches have put their money where their mouth is. The Church Urban Fund, established as a result of the controversial *Faith in the City* report, has channelled significant funds into social and economic regeneration, as well as into the strengthening of local Christian communities and their ministries.

The churches have a wealth of experience and expertise to

bring to the task of tackling the huge problem of exclusion in our society. They must be allowed to contribute to the policy and practice of the Government's programme in a significant way.
+MICHAEL NAZIR-ALI
Bishop of Rochester
Rochester, Kent

The MPs' oath

Sir: I take issue with your leader "Not fit to sit in Parliament? It is the oath that is not fit" (5 December). In taking an oath of allegiance to the Queen a Member of Parliament makes no statement about his views on the monarchy. He recognises a fact: the Queen is the head of state of the nation in whose governance he has been elected to take a part.

His intentions may well be to change that system, but by choosing the route of democracy he has chosen to recognise the current state of the system as a starting point.

It is spurious to make com-

parisons with amendments permitting those who do not believe in God to affirm their allegiance rather than to use the name of a deity in whose existence they do not believe: the Queen is head of state; belief in the Christian or any other god is a matter of opinion.
MEGAN C ROBERTSON
Crewe, Cheshire

Sir: Adams and McGuinness said in their election manifestos, and have repeated since, that they had no intention, if elected, of taking their seats in Parliament. That is the policy of Sinn Féin. They do not recognise the legitimacy of Parliament. Changing the oath will make no difference to that.

In effect, Sinn Féin have disenfranchised the two constituencies they were elected to represent. If these two have no intention of taking their seats, why do they want free offices, free faxing, photocopying, telephoning, e-mail and library facilities in the centre of London?

To argue that removing one more "symbolic barrier" to Sinn Féin's inclusion in democratic politics by giving them these facilities will make it more difficult for Mr Adams to use the "rhetoric of grievance and discrimination with his own tribe" (leader, 5 December) is to misjudge the IRA/Sinn Féin. They want a united Ireland regardless of the wishes of the majority in Northern Ireland, and whether the rhetoric of grievance is justified or not, they will use it in the pursuit of their objective.
BERT WARD
Middlesbrough

Sir: Charles Bradlaugh didn't refuse to take the oath when he was elected to Parliament in 1880, nor was the law amended in 1885 to enable him to take his seat (leader, 5 December).

As an atheist (and a republican), he objected to the religious oath and preferred non-religious affirmation; but when he was prevented from af-

firming he not only tried to take the oath eleven times but actually did so three times. His victories in two general elections and four by-elections didn't force a change in the law, because he was eventually allowed to take his seat after taking the oath in 1886. The law was changed to make non-religious affirmation possible when his own Bill was passed in 1888, but he died in 1891 before being able to take advantage of it.
NICHOLAS WALTER
Rationalist Press Association
London N1

NHS rationing

Sir: Your article "Fears persist over survival of full and free treatment on the NHS" (1 December) confirms that Labour's election pledge to save the NHS rings hollow.

It is an indictment of Labour's record to date that three out of four of those participating in the survey believe that by 2007 one of the core

principles of the NHS – the provision of treatment free at the point of delivery – will be extinct.

The Government must acknowledge that the majority of people surveyed are willing to pay more tax if they could be sure it would lead directly to improvements in the health service. The gulf between what the NHS provides and what the public would like it to deliver is becoming steadily wider. Liberal Democrats believe that this can only be bridged by an increase in real-terms of funding for the NHS and an open debate on the rationing of health services. We call on the Government to come clean on whether it intends to provide the NHS with the resources it needs, or whether the shortfall will be made up by the imposition of patient charges.
SIMON HUGHES MP
(North Southwark and Bermondsey, Lib Dem)
House of Commons
The writer is Liberal Democrat health spokesman

No law for the poor

Sir: Geoffrey Hoon asserts (letter, 2 December) that small high-street solicitor's practices, if well managed, may well be better off with conditional fees than legal aid.

The true position is that these small practices are not going to be able to conduct personal injury claims on behalf of the poor. Most people, in my experience, rapidly become poor when laid off work through injury. They are going to be more anxious to use their reduced income to keep the mortgage paid and the kids fed than paying court fees, doctors' fees and insurance premiums. All the specialist expertise in the office is scarcely likely to change that.

Small practices need to be able to offer their clients a full range of services across a wide income spectrum. The Government's proposals attack that.
D G R NEWMAN
Warrington, Cheshire

Faith and violence

Sir: It might be helpful if we stopped viewing religion as a purely abstract phenomenon ("Religion in the Middle East: the fundamental problem", 3 December). Religious traditions involve the subjective responses of their adherents; in times of violent conflict texts are read in the light of the fears, anxieties and aggressions of the faithful.

This can lead to highly selective and biased interpretations which are indeed very dangerous. Instead of examining the tradition as a whole there is a tendency to focus on material which appears to justify violence. Such material is usually balanced by the ultimately humane visions of the faith communities, but in times of conflict these ideals can be drastically corroded.

It is vital for religious communities to take responsibility for the violence done in their name and challenge their extremist offshoots, but this can demand great courage and self-sacrifice.
JONATHAN GORSKY
Education Officer
The Council of Christians and Jews
London WC1

Sir: The dubious honour of being "the greatest act of ethnic cleansing and barbarism in the Middle East in a thousand years" should go not to the Crusades but to the sack of Baghdad in 1258 by the Mongols under Hulagu; contemporary accounts speak of half a million killed in the fall of perhaps the greatest city in Eurasia.

Mongol godbothering took the form of shamanism; they were indifferent to the religion of those they butchered. Ironically, in 1260, the Crusaders saved Islamic Egypt by a policy of benevolent neutrality to the Mameluke army which defeated the Mongols in Palestine. The Rev PETER HATTON
Droitwich, Worcestershire

Farming pickets

Sir: If the miners picket ports to stop coal coming in, the Government could use Tory legislation to confiscate National Union of Mineworkers funds. Do you think they will use those laws to confiscate National Farmers' Union funds? And if they don't, will William Hague urge them to do so?
W J HYDE
West Malling, Kent

Business sponsorship of the arts ... and what happens when it goes wrong



MILES KINGTON

Concluding our great new business story, "The Person You Have Rung Knows You Are Calling!"

Story so far: In an attempt to get business sponsorship for his small theatre company, Mickey is offering well-heeled businessmen the chance to play a small part in a play if they offer sponsorship (cash). Roger Dunstable, who is boss of a pipeline firm and has always wanted to go on stage, is the first to say yes, and has agreed to take the part of a corpse in a thriller.

Roger attended as many of the rehearsals as he could, and found them not unpleasant. Rehearsals seemed to be very like business meetings in lots of ways. For a start, they never started on time, because the unimportant people were very

punctual and the more important people tended to be late. Also, as in business meetings, there were constant breaks for refreshment. Also, as in business meetings, there was a great pretence of democracy, but at the end of the day all the decisions were taken by one man.

At his meetings, it was Roger. "You must come on diffidently," said Mickey to Roger. "You're the long-lost relative from Australia. You don't know any of these people. You look around hesitantly, and 'Screwit, I've come 5,000 miles to see my relations and none of you even look like me!'"

"It doesn't sound diffident to me," said Roger. "It sounds truculent."

"Just pretend to do what he says," hissed Phoebe the actress in his ear. "Never argue with the director. If you really don't agree, do something different, but don't argue or he'll notice."

"OK," said Roger, to both of them.

Roger had such a small part that he didn't have to turn up at all the rehearsals, which was just as well, as a lot of his time was taken up by a deal he was working on, a major water industry deal which it was very important for him to get and he was often on the phone at rehearsals to Don Wellwright, the CEO of the other firm, hammering out the details. The actors would be emoting like mad on stage when they would hear Roger on his mobile shouting: "February

17th! For God's sake, Don, we agreed the end of March!" and a deputation would be sent down to lower his blood pressure, his decibels and his temper.

When he had to miss a rehearsal to go to a meeting with Don Wellwright, he sent along his personal assistant Derek to rehearse instead of him.

"Nobody can rehearse instead of you!" objected Mickey to Roger later.

"Derek can," said Roger. "He knows what I want. He'll give me a full briefing later."

As things turned out, he could. On the opening night he said his few words right, he fell dead at the right moment and he didn't move at all during the couple of minutes he had to stay on stage as the corpse.

The only thing that went wrong was that, as he lay there dead, his mobile phone started ringing.

And it was in his pocket. There, on stage.

Roger wondered whether to answer it or to be a professional (actor) and just lie there. He just lay there.

The actor playing Inspector Hawkins (of the Yard) also rose to the occasion.

He retrieved the phone from the dead man's pocket and answered it.

"Hello?" he said. He listened for a moment and then replied (in the character of Inspector Hawkins):

"No, I'm afraid he can't come to the phone. Why not? Because he's dead, that's why... Yes. Very dead."

The man at the other end of the phone was Don Wellwright, who had rung up to mention some last minute detail about the deal to Roger and was horrified to find him dead.

"Who's that talking?" said Don Wellwright.

"Inspector Hawkins of the Yard," said the actor playing Inspector Hawkins of the Yard.

"Oh, my God," said Don Wellwright, and rang off.

The rest of the first night went very well, and Roger got a special round of applause as the corpse. It was also agreed that the man playing the inspector handled the situation very well.

However, when Roger got to work the next morning, he found that as he was now thought to be dead, Don Wellwright had rung up and cancelled the whole deal.

Worse even than that, Roger Dunstable had been replaced as managing director. His assistant Derek had moved into his office with all the speed of a man seeing an empty space to park in central London.

Roger and Derek were never to be quite on the same terms again.

MORAL: Always answer the phone yourself, even if you're dead.

Six fashionable clichés about new Labour



DONALD
MACINTYRE
MARKS BLAIR'S
REPORT CARD

Flaubert's *Dictionary of Received Ideas* mocked the thought-free clichés of the high bourgeoisie in 19th century provincial France. A latterday British Flaubert could have an equally high old time with the metropolitan Things They Say about the Blair Labour Party. Before we examine those which have crept into fashionable discourse since the election, let's first remind ourselves about some of those that were common before it.

It'll be the same old Labour Party once they get in. This was primarily a Tory mantra, though it was also secretly muttered by some on the left who thought of Blair merely as a necessary vehicle for getting Labour re-elected. In fact, all the signs are that Blair's exhortation to the Cabinet that "we were elected as New Labour, we will govern as New Labour" has proved to be true. A schools policy which sets up special education zones that bypass local authorities, that changes university tuition fees and builds bridges with the private sector is just one good example.

Blair, Brown and Cook are good but the rest of them aren't up to it. Hardly. There are certainly weak links; Gavin Strang and David Clark have not exactly overperformed. There will be a reshuffle before the summer of 1998, not least because there are some bright, ambitious ministers in the second rank. But in drive, attention to detail and enthusiasm for their jobs, Jack Straw, David Blunkett and Mo Mowlam have consistently starred in a surprisingly competent line-up.

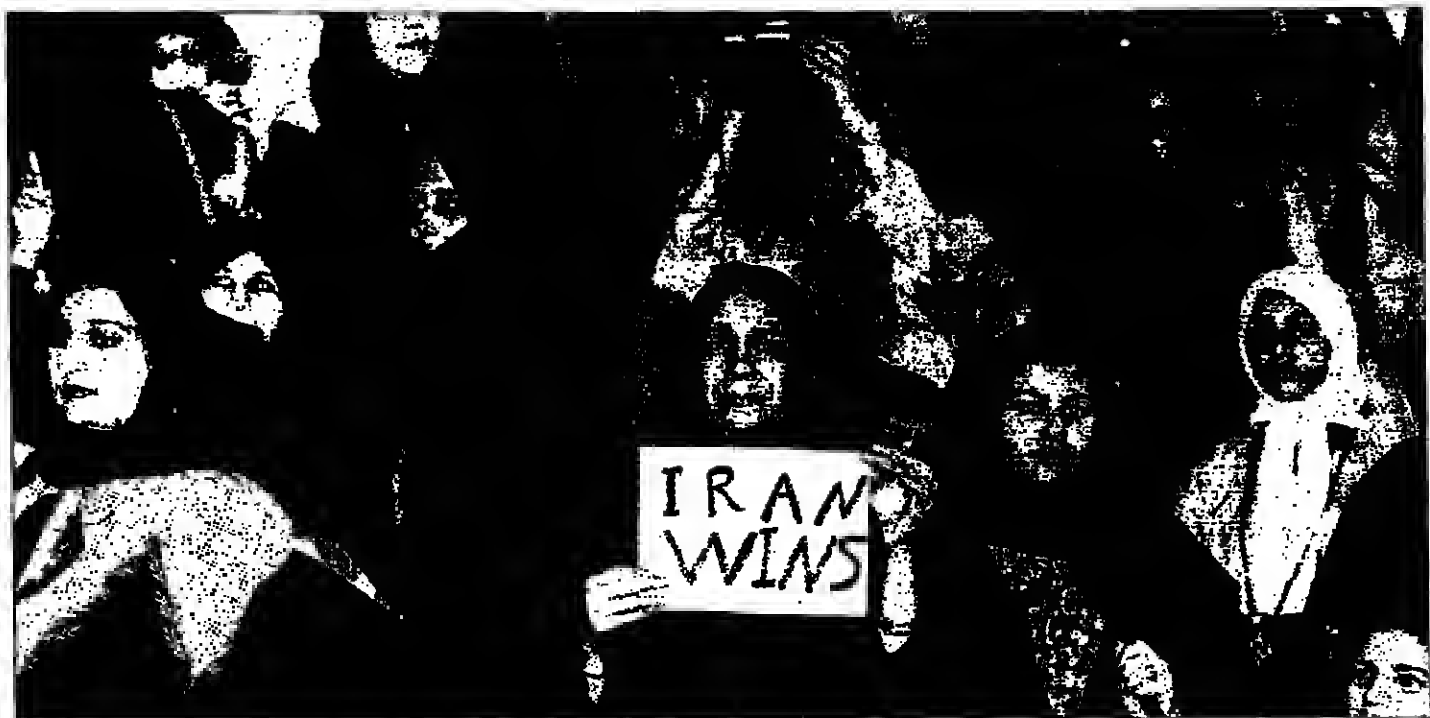
Tony Blair's a nice guy but is too young/ Bambi-like to be Prime Minister. This was a – largely submerged – theme among some of those Labour modernisers after John Smith's death who agonised that Brown would make a better, stronger Prime Minister, even if not a more electable Labour leader. It is now clearly obsolete, but elements of it have resurfaced in a different, post-election form:

Blair is the company chairman/president/front man with a chief executive/ideas man behind him. Except in the world wonderfully conjured by Rory Bremner, where the Svengali-like man behind the scenes is Peter Mandelson, he is usually assumed to be Gordon Brown. The idea is that the Iron Laddie produces all the policies – popular and not so popular – while Blair gladdens round the world fostering the feelgood factor being – Bremner again – Prime Minister of People's Heurts. This is not the experience of ministers I have talked to over the past few weeks. Blair has spent inordinate hours, for example, going over the small print of schools' policy with Blunkett and today's health White Paper with Frank Dobson. Nor has he exactly let go of the detail of

Northern Ireland, bringing talks to a stage at which he can see Gerry Adams without the world falling in. Detail is not a problem for his lawyer's mind. Yes, Brown is a hugely fertile source of ideas; but nothing, including the historic Commons EMU statement – as much Brown's as Blair's – is announced by the Chancellor without first being discussed, at length, with Blair. The suspicion partly arises because Blair's rather good at using charm where Margaret Thatcher used fear. But that doesn't mean he isn't as good at enforcing his will. There's no one else, not Mandelson, not Brown, not Sir Robin Butler, to ensure that a still rather disparate Cabinet works together. And who does the detailed, fellow heads of government squaring, preparatory work for European summits if not him? Even the Bernie Ecclestone affair may have given the impression that he is more glib than he is. It now looks as if he was uneasy about the tobacco sponsorship had long before he met Ecclestone. You may think he was wrong. But the experience is likely to make him trust his own instincts more rather than less.

The Blair government. All presentation and no substance. This may be almost precisely the opposite of the truth. So far most of the real problems have stemmed from presentation – either too much of it or the wrong kind – rather than the formulation of policy. It's sensible to dramatise the importance of the Social Exclusion Unit by travelling to a school in Stockwell, as Blair did yesterday, rather than by making a dry statement in the Commons. But enough, please, of the now empty phrase "People's Europe". The EMU crisis was more a problem of un-coordinated presentation than of serious policy disagreement between Downing Street and the Treasury. So too, perhaps, with some of the hostile reaction to last week's savings announcement. Incidentally Peps and Tessa had a warm quotable feel as names. The ISAs that have replaced them sound like nothing on earth. And, while we're about it, the Social Exclusion Unit is also a pretty forbidding name. Why not, at the very least, the Social Inclusion Unit? But you can't tot up the policies from an independent Bank of England to the NHS, last summer's budget, Northern Ireland and Scottish devolution and then complain of lack of substance.

They're just like the Tories. The ferocity of Gordon's Brown's spending limits – for the first two years – is usually cited as the prime example. But would the Tories have embarked on constitutional reform? Would they be introducing a minimum wage? Did they even wait an agreement at Amsterdam? There is another, even more, fundamental difference: without Kenneth Clarke as leader, the Tories remain ideologically in the state-shrinking business. Blair shows every sign of being about a reallocation of public expenditure, to education, health, and his cherished cause of social inclusion, rather than cutting it overall. Blair does, through welfare reform, want to end what he believes to be the corrosive effects of the dependency culture. There are grounds for hoping that this hugely ambitious project will bite, in time, as deeply into some of the benefits of the most prosperous as it will as a result of tomorrow's Commons vote, on new, non-working lone parents. The short-term effects of the cuts may be harsh. But there is plenty to do with the money. Be wary of received wisdom. This is a man with a plan.



The new face of the revolution: Iranian women celebrate their football team's qualification for France 98 Photograph: Popperfoto/Reuters

The Iranian political football is passed to the adults



ROBERT
FISK
DEMOCRACY
IN TEHRAN

As the world's Muslim leaders flew into Tehran last night for today's Islamic summit, they could see beneath their aircraft the great golden-domed shrine of the Imam Khomeini. Visible under the arc lights over a 20-mile radius, it has been built to last for ever, an eternal memorial and place of pilgrimage to the man who created the world's first modern theocracy. But the aircraft making their final approach to Mehrabad airport over the shrine are carrying the presidents and princes of a world which has no more interest in the export of the Islamic revolution – Khomeini's creation – than the new government in Tehran.

For at the conference today, the hard men of the Iranian revolution – the Revolutionary Guards and the morally zealous committees – will have no status. Hamas and Islamic Jihad and the Hizbollah and the other armed Islamist groups whom Tehran has supported, will have no representation. And despite all the promises to "liberate" Jerusalem from a nation – Israel – which Iraq pledges never to accept, the Arab-Israeli crisis will be left to the Arabs to resolve. The truth is that Iran

is far more interested in securing the friendship of its neighbours, in securing a lasting ceasefire in Afghanistan, in trade relations with the former Soviet Muslim republics and the Arab nations of the Gulf which Washington has for so long tried to line up against Iran.

True, Iran is happy to see the Arabs turning upon Turkey, whose new "security zone" in northern Iraq – every bit as oppressive an occupation regime as the Israeli version in southern Lebanon – constitutes a strategic threat to Iran itself. Turkey's military alliance with Israel – which allows Israeli fighter-attack access to Turkish airspace – means that for the first time ever Israeli jets can now fly along Iran's far north-western border. Iraq, whose 1980 invasion of Iran cost one and a half million lives in an eight-year war, has sent its foreign minister to Tehran where – grateful to Iran for its stand against Turkey – he is busy negotiating deals to exchange thousands of secretly held prisoners captured in the 1980-88 war.

Iran has just released 496 Iraqi soldiers held since the war, Iraq – which previously claimed it held only one Iranian pilot – now admits to having another 64, which it is ready to free. Iraq wants another 18,000 prisoners allegedly in Iranian hands. Iran is demanding 1,114 POWs still in Iraq. But the negotiations have begun and Iraq is even suggesting that it may close down the camps of the Iranian opposition outside Baghdad, which are still funded by the CIA.

The conference itself contains some typical contradictions. Iran has agreed to disagree over the compromises made by Egypt, the PLO and Jordan – which it regards as nothing less than their recognition of an Israel that Iran still

calls the "Zionist enemy". Conference officials, as the Tehran newspaper *Kayhan* delicately put it, "emphasised the continuation of the compromise trend with Israel", while Iran insisted on "the total abolition of the Qods [Jerusalem] occupying regime".

And Iran's request for a Muslim human rights resolution is not going to condemn Saudi Arabia's vicious "Islamic" punishments, nor Yasser Arafat's brutal secret police, nor Iraq's mass executions, nor torture in Algeria – the bloodbath there, we are warmly told, remains the country's "internal affair". And delegates, who are being invited to visit Iran's stunningly beautiful shrines at Isfahan, Shiraz and Mashad, are not going to be offered conducted tours of the notorious Evin prison in north Tehran. Discussion of human rights abuses will centre, needless to say, on Israel's treatment of the Palestinians. In other words, Iran is acting very much like other states in the region. As Yasser Arafat, who has not been here in 15 years, and Crown Prince Abdullah and the emirs of the Gulf arrived last night, they must have been asking themselves one question: what happened to the revolution?

It was, in reality, Khomeini's child. The Ayatollah wanted to cleanse Iran of the Shah's corruption and so he invented a dream: a pure and perfect society, humble only unto God, whose obedience was supposedly both innocent and child-like. And that, in a sense, was what Iran became – a nation of children. Through the system of *velayat-e faqih*, Khomeini created a Supreme Leader, a kind of spiritual headmaster, never to be crossed or criticised or questioned. In the classroom of the streets, the "children" were taught simple chants contain-

ing supposedly ultimate truths: Death to America. Death to England. As at school, girls and boys were strictly divided; women became "sisters". Friends who did not always support the "children" became instant enemies. This was not childlike – this was childish, sometimes dangerously so. Foreign nations that dared to criticise the innocence of Khomeini's children were – naturally – devilish, evil, Satanic. Those who sought to overthrow this infant's paradise had to be liquidated. And thus Ayatollah Khomeini did not just recreate "innocence" – he rejuvenated a society. There was obviously no place in the classroom library for books that suggested the teachers were wrong.

Now that society is growing up. Clerics and intellectuals are at last daring to question the divine right of Ayatollahs. President Khatami won in what was – horror of horrors for Washington – a fair election. Even the "children" of the villages who sent their sons to martyrdom in the war against Iraq ignored the 300,000 mullahs who naturally supported Ali-Akbar Aytatollah Nouri, the candidate of Ayatollah Ali Khamenei. True, Khamenei has created a semi-parallel structure of government; the old foreign minister Ali-Akbar Velayati, has become the Leader's "senior adviser in international affairs", ex-president Rafsanjani now leads an "expedient council". But Khatami retains the sup-

port of the people – the children matured – and the tens of thousands who gathered in the streets to celebrate Iran's football victory last week were sending him a simple message: remember us. It was people power – not Islamic trusts – that secured the 1979 revolution.

It will take time for this enormous transformation – in its way as titanic a change as the revolution – to sink in. Khatami is as yet far from honouring all his promises on human rights. The courts are weighed down by anti-feminist judgments, the morality police still cruise the streets, the satellite dish is still illegal.

Nor should we forget that tragedy stalks the good in Iran. If President Khatami does create pluralism, his will be the only democratic nation in the Muslim Middle East. And we in the West prefer tyrants. We like our Muslim klags and generals because they do what we want – and are punished if they break the rules. Does Washington, for example, really want a de-bastated Shiite Muslim nation, democratic – at least in Middle East standards – and powerful and rich as well as anti-Israeli? It is difficult to see how the US and its Israeli friends could tolerate such a state, which is why – when the US turns against Khatami – it will be proof that he has won his battle. Even the Americans, however, will be unable to deny that the first headline cracks have appeared on the polished marble of the Imam's tomb.

Farewell to Mr Major's world, where chaps never resign



ANDREAS
WHITTAM
SMITH
THE OPERA
HOUSE REPORT

John Major still doesn't get it. The former Prime Minister has popped up to deplore the tone and conclusions of the Select Committee report on the Royal Opera House. He seems to have been particularly taken aback by the call for the resignation of the chairman, Lord Chadlington. According to Mr Major, Lord Chadlington, a friend, was "the solution, not the problem, and the recommendation that he should resign was bizarre".

In Mr Major's world, chaps don't resign. Whatever their mistakes, they are always well intentioned, and so they carry on. I dare say Mr Major thought that his failed Chancellor of the Exchequer, Norman Lamont, had just the qualities he ascribes to Lord Chadlington, and that is why he allowed him to stay in office after his policies had resulted in the country's humiliating expulsion from the European exchange rate mechanism.

As a matter of fact, Lord Chadlington doesn't think that he did a bad job as chairman during the past 12 months or so, but he still resigned when called upon to do so by a unanimous parliamentary committee. As he explained to Deborah Ross in *The Independent* yesterday, "It seemed, in the circumstances, the only

honourable thing to do. Lord Carrington, who is something of a hero of mine, resigned over the Falklands crisis even though it wasn't his fault. Someone had to accept responsibility, so he did, I am accepting responsibility in this instance."

Lord Chadlington, who is virtually the same age as John Major, thus reaches back to an older tradition of public service. Lord Carrington was Foreign Secretary in 1982 when Argentina invaded the Falkland Islands. For him the war represented a failure of diplomacy, and so he left office. Lord Chadlington said that he spent 18 years supporting the Tory governments but when he looked back "the one thing they did wrong was not accepting responsibility when things went wrong".

Given that Mr Major is puzzled by such a "bizarre" attitude, he should contemplate the devastating results of the monthly Gallup poll published in *The Daily Telegraph* last Friday. The headline accurately summed up the findings: "Labour stumbles but the Tories are cursed with a mark of Cain". Over 60 per cent of the electorate believes that the Tories are mean-spirited, incompetent, arrogant, out of touch with the modern world,

not concerned with ordinary people, lacking in a clear sense of direction and divided.

If you believe that resigning when things go wrong on your watch comes from an out-of-date code of honour, then it follows that any reports that may be written to explain disasters should avoid calling a spade a spade. "Type of garden implement" would be more judicial. At least I think that is what Mr Major meant when he said that select committee reports should "err in understatement... they should acknowledge difficulties in dealing with complex problems, and, above all they should be demonstrably fair". The report on the Royal Opera House fails these tests, according to the former prime minister.

As a matter of fact I read the report with some trepidation. Press coverage had warned how strong the language was. The pen of the chairman of the committee, Gerald Kaufman, had apparently cleared away all ambiguities and thus the account was written in unusually clear language. Had Mr Kaufman let himself be carried away, and with him his fellow members of Parliament, Labour and Tory alike?

Not at all. It is a very muscular report. It engages with the witnesses as they come forward to explain away the disasters

over which they presided. Excuses are tested and often found weak. In effect the committee said to the former chairman, Sir Angus Stirling, and the former director, Sir Jeremy Isaacs, you say that the trustees believed this and thought that. Very well, let us inspect the board minutes and see if they confirm your account.

The committee's conclusion is that Sir Jeremy sought to hide the "abysmal failure" to find a home for the opera and ballet companies during the rebuilding of Covent Garden. Likewise when the MPs were told that a finance committee examined, month by month, the actual and projected income against budget, they asked to see a month-by-month balance sheet to demonstrate the path of the deficit. In reply, the present chief executive, Mary Allen, replied that it was not possible "to let you have the financial information you have asked for, since the Royal Opera House has not in the past produced it". One of Ms Allen's colleagues explained: such financial forecasts as existed were left on a shelf while planning proceeded willy nilly without reference to them.

This carelessness with public money has been going on for a long time. An inquiry conducted as long ago as 1983

found that a greater priority must be given to financial objectives in the trade-off with artistic desires. In 1992 Lady Warnock discovered that "there are no indications as to how the closure period of 30 months will be financed, what activities the Royal Opera House might pursue during this period and where these activities might take place". Even Lord Chadlington seems to have been cursed with the same debilitating lassitude from which his predecessors suffered. When he began his chairmanship, there was no qualified finance director to install one – and this dilatoriness in the midst of a financial crisis!

So the select committee decided to recommend something which is no doubt completely incomprehensible to Mr Major – sack the lot of them. The former prime minister would have conducted a well-balanced re-shuffle with perhaps one or two minor casualties, while Mr Kaufman's committee administered shock treatment. I say, thank goodness the connection between office and responsibility has been re-established in the public service. Evco poor Lord Chadlington, fallen as he is upon his sword, agrees with that.

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FINANCIAL JOURNAL OF THE YEAR

Swiss deal prompts frenzy of bank bid speculation

Swiss banking giants UBS and SBC are to form the world's second largest bank in a multi-billion pound merger, with the loss of 3,000 jobs in London alone. The City is already speculating about the next victims of the 'merger mania' affecting the financial services sector. *Leo Paterson reports.*

Following a week of feverish speculation, the Union Bank of Switzerland (UBS) and the Swiss Bank Corporation (SBC) confirmed yesterday that they planned to merge. About 3,000 of the 13,000 world-wide job losses will be in London - more than previously anticipated. "The people most likely to be hit are in equities and corporate finance," commented one analyst. Under the terms of the deal, UBS will be folded into SBC. The new bank, to be called the United Bank of Switzerland, will be second in terms of asset size only to the Bank of Japan-Mitsubishi (see table), with combined assets of £558bn. It will also be the world's largest money manager, with 1.32 trillion Swiss francs (£555bn) in assets under management.

The link-up was prompted by the desire not to lose out in the ongoing consolidation in world financial services. SBC/UBS said: "Ongoing globalisation and deregulation of the international financial markets, tougher global competition and the resulting world-wide wave of consolidation in the financial services industry have made size an increasingly critical factor." Marcel Ospel, currently SBC's chief executive and chief executive-designate of the new bank, was keen to dispel any notion that he was out to shut down UBS's London operation. After the merger, the new bank will have a combined London staff of around 3,000, about half the current total. But Mr Ospel stressed that there would be redundancies on both sides. He said: "We will take the best people. It is not a question of going to zero on one side." Mr Ospel also denied that large chunks of UBS, notably the equities business, were now up for sale. Though he admitted that the bank would consider serious offers, he

said: "It [the sale of parts of UBS] is not part of the integrated strategy we have on the table today." UBS's equities division has been linked with a variety of potential bidders, including US investment bank JP Morgan. Recruitment specialists yesterday advised worried UBS and SBC employees not to panic. Peter Newton, director of the LNI Group, an IT and recruitment consultancy, said: "The labour market is relatively buoyant at the moment, and these are both top-tier investment banks, with a high calibre of people."

But further, widely anticipated, consolidation in the financial services sector

The world's largest banks

ranked by assets, \$bn

1	Bank of Tokyo-Mitsubishi	392.6
2	UBS/SBC	358.8
3	Deutsche Bank	345.4
4	Crédit Agricole	288.3
5	Sumitomo Bank	279.0
6	Industrial & Comm. Bank of China	265.1
7	Dai-ichi Kangyo Bank	263.0
8	Fuji Bank	262.2
9	Sanwa Bank	259.0
10	Sakura Bank	256.2
11	HSBC Holdings	243.5
12	Credit Suisse Group	235.9
13	Dresdner Bank	215.5
14	Banque Nationale de Paris	215.4
15	ABN Amro	206.9
16	Société Générale	206.1
17	Chase Manhattan Corp	203.7
18	Industrial Bank of Japan	198.5
19	Barclays Bank	191.4
20	National Westminster Bank	190.7

Source: The Banker, Pro Iorata figures

could lead to "blood on the streets". Mr Newton warned: "If we see more mergers or more bank failures... it would become a buyer's market."

UBS/SBC said yesterday it was "conscious of its social responsibility to its staff members and will handle these redundancies as sensitively and fairly as possible". The banks have set aside £2.5bn Swiss francs (£1.05bn) for redundancy costs.

Most analysts yesterday subscribed to the view of UBS/SBC that the merger was beautiful, but also felt that difficult domestic conditions in over-banked Switzerland lay behind the

decision to merge. John Leonrad, banking analyst at Salomon Smith Barney, said: "We see two primary drivers - cost savings in the over-banked Swiss branch banking market, and the search for critical mass in the global investment banking sector."

Switzerland has one bank per 2,000 people - around twice the ratio in the US. Post merger, up to 400 Swiss bank branches will shut. Pieder Signorelli, the secretary-general of the Swiss trade union which represents bank staff, described the merger as "complete madness" because of the proposed size of the job cuts.

The UBS/SBC link-up is the latest in a string of "mega-mergers" in the financial services industry. In June, Morgan Stanley and Dean Witter completed their \$11bn merger, and last month, Travelers Group completed the \$9.3bn takeover of Salomon Brothers. More recently, Merrill Lynch offered £3.1bn for Mercury Asset Management.

Yesterday's news prompted speculation about the next link-up in European banking. Shares in Barclays Bank and National Westminster Bank, which are understood to have had informal merger talks, soared. NatWest closed up 58p at 998p. Barclays closed up 27p at 1573p.

Under the terms of the deal, Warburgs, perhaps one of the most distinguished names in British investment banking, will not disappear into the history books. Though the newly formed United Bank of Switzerland will be headquartered in Zurich, investment banking will be run out of London under the name of Warburg Dillon Read. The new bank's institutional asset management division, to be called the Brinson division, will be run from Chicago. Gary Brinson presently heads UBS's asset management arm and will become boss of UBS's maverick fund manager Tony Dye.

Experts predicted the merger was unlikely to run into regulatory difficulties in Europe, but regulatory hurdles in Switzerland may prove more tricky.

UBS and SBC estimate the merger, once completed, will result in annual cost savings of SF3.4bn, but that restructuring costs would wipe out their combined profits this financial year. Under the terms of the merger UBS shareholders will hold 60 per cent of the new company.

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Easy access: Bank customers could soon be able to use any cash point in the country

Photograph: Nicola Kurtz

Barclays set to link up with other cashpoints

Barclays Bank is poised to follow the Royal Bank of Scotland by striking a deal with other banks and building societies allowing its customers to withdraw money from all but a handful of the UK's 22,000 cashpoint machines. Andrew Yates reports on a banking revolution which is likely to open up the network to every account holder in the country.

Tired, weighed down with shopping and out of money you finally find a cash point machine, only to discover that it doesn't take your card and you face a long walk to the other end of the high street to get the money you need to get home. An all too familiar story, but one that is set to become a thing of the past. Huge demand from customers is forcing Britain's banks to allow account holders to use any cash machine they want.

Top executives at Barclays are due to meet shortly to discuss plans to do just that. Sources say Barclays is likely to go ahead with the move in the wake of Royal Bank of Scotland's initiative, which caught the industry on the hop.

Link, the building society cashpoint network, confirmed that it was in talks with Barclays and the other banks that do not currently use its network about a tie-up. It is unclear whether Barclays will charge customers for using Link machines. NatWest, which recently teamed up with Link, charges customers 60p for each withdrawal.

If Barclays does open up its network Midland Bank and Lloyds TSB, the other high street banking giants, will almost certainly have to fall into line.

The creation of a unified banking network is only a matter of time according to industry experts. Harry Hay, the man behind Royal Bank's new initiative, believes other banks are bound to follow. "This gives us a distinct competitive edge. I can't see

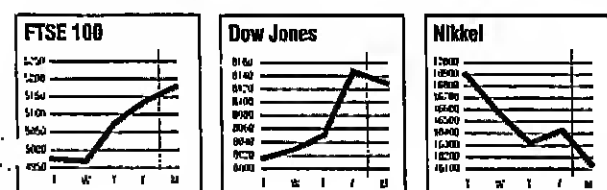
the others standing back for long."

The changes will prompt a revolution in the services on offer, according to Ian Burton, a consultant at NCR, which makes more than four in every five UK cash points. He believes that customers could soon be able to order foreign currency, arrange a loan or even find out how much they would be allowed to borrow to buy a house simply by popping their card in a machine as banks desperately try to hold on to their customers by adding new facilities.

Intense competition among UK banks saw them develop their own cashpoint networks, a situation almost unique in Europe. Now pressure from customers and demand for more machines in places such as railway stations and petrol forecourts has forced the main banks to reconsider.

The creation of one network will prompt a huge industry shake-up. Mr Hay predicts that private companies could end up running machines for the banks. However, as in America, customers could well end up paying for the privilege.

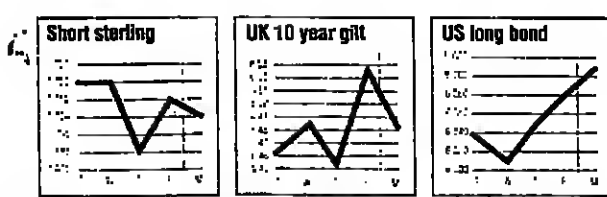
STOCK MARKETS



*Dow Jones index and graph at 5pm

Index	Close	Change	Change %	52 wk high	52 wk low	Yield %
FTSE 100	5187.40	44.50	0.87	5367.30	3882.70	3.39
FTSE 250	4781.00	29.70	0.63	4953.80	3437.30	3.37
FTSE 350	2489.30	20.30	0.82	2570.50	1835.70	3.39
FTSE All Share	2428.34	19.01	0.79	2507.68	1948.17	3.39
FTSE SmallCap	2304.30	7.80	0.34	2407.40	2127.50	3.40
FTSE Prevaling	1251.60	3.10	0.25	1346.50	1203.20	3.39
FTSE AIM	978.30	2.40	0.25	1138.00	965.90	1.10
Dow Jones	8128.99	20.89	0.26	8289.03	6236.05	1.08
Nikkei	18151.57	282.91	1.58	20010.78	14988.12	0.95
Hang Seng	11725.94	195.34	1.70	16820.31	8775.88	3.82
Dax	4223.36	53.28	1.28	4459.89	2797.54	1.74

INTEREST RATES

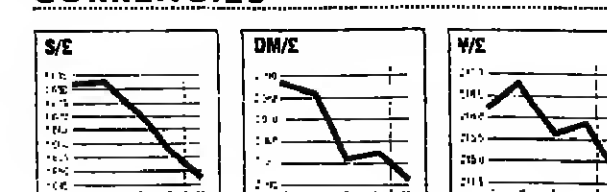


Index	3 month	1 yr	10 yr	1 yr	10 yr	1 yr	10 yr
UK	7.74	1.32	7.89	0.93	6.48	1.16	6.40
US	5.94	0.39	6.09	0.29	5.93	0.25	6.11
Japan	0.73	0.26	0.73	0.14	1.81	0.63	2.40
Germany	3.76	0.52	4.08	0.60	5.38	0.99	4.83

MAIN PRICE CHANGES

Rises	Price	Change	Falls	Price	Change
Interinvest Com	79.50	6.50	Yule Catto & Co	274.50	-32.00
Select Appointments	651.00	50.00	Gen-Codm PLC	1050.00	-70.00
Eng China Glass	285.50	20.00	Blue Circle Inds	328.50	-21.50
Hardy Oil & Gas	279.00	18.00	Secompanies	630.00	-25.00

CURRENCIES



Pound	at 5pm	Change	Yr Ago	Dollar	at 5pm	Change	Yr Ago
Dollar	1.6474	-1.05c	1.6477	Sterling	0.6070	+0.38p	0.6069
D-Mark	2.9429	-1.26p	2.9560	D-Mark	1.7863	+0.30p	1.5555
Yen	214.79	+0.90	155.94	Yen	130.38	+0.28	113.24
S. Index	104.30	-0.60	92.00	S. Index	108.40	+0.50	97.70

OTHER INDICATORS

Index	Close	Chg	Yr Ago	Index	Close	Chg	Yr Ago
Brent Oil (\$)	18.02	0.14	24.96	GDP	112.90	3.80	109.7
Gold (\$)	287.75	-0.50	268.20	RPI	150.50	1.7	153.81
Silver (\$)	5.43	0.17	4.89	95cc Futures	2.25	6.00	

www.bloomberg.com

source: Bloomberg

BT to get the go-ahead to take full control of Cellnet

The Department of Trade and Industry is poised to give British Telecom the go-ahead to take full control of Cellnet, the UK's second largest mobile phone network in which it has a 60 per cent stake. But as Chris Godsmark, Business Correspondent, reports, BT's current intentions towards Cellnet could be more cautious than in previous years.

Since its launch alongside arch-rival Vodafone in 1995, Cellnet has been owned by BT and Securicor, which has a 40 per cent stake in the mobile operator. A previous attempt by BT

to buy out Securicor in 1995 was blocked by Michael Heseltine, then President of the Board of Trade, on competition grounds.

Sources close to the DTI said officials had reconsidered the ownership structure of Cellnet and now saw no objections to BT owning the entire network. The department is thought to have changed its view of competition in the UK mobile market since 1995, with the growth of the two all-digital networks, One 2 One and Orange.

Last night Barbara Roche, the minister responsible for telecoms, declined to comment on Cellnet. The existing share structure is enshrined in Cellnet's operating licence, which could not be changed without the consent of the Secretary of state.

The DTI has been informally ad-

vised by OfTel, the telecoms watchdog, that it would not oppose the move by BT. Don Cruickshank, the telephone regulator, is thought to have lobbied against the move two years ago, at the height of his battles with BT over market dominance. However, Mr Cruickshank now takes a much more optimistic view of UK competition, with Orange and One 2 One this year accounting for well over half the growth in mobile customers.

He has struck a much more conciliatory tone with BT this year and in a recent speech predicted the group's overall share of the UK market would drop to 50 per cent by 2000. OfTel's latest forecast said BT would control 70 per cent of domestic phone lines by the same date, down from more than 90 per cent today.

The timing of a DTI announcement, which could come early in the new year, would depend on BT's strategy towards Cellnet. Though BT has made no secret of its long-term aim of integrating its fixed phone services with a mobile offering from Cellnet, privately the company has played down an early approach.

In February Sir Peter Bonfield, BT chief executive, said the group would only buy Cellnet in "a good financial deal". Analysts yesterday put a valuation of about £4bn on Cellnet, putting a £1.6bn price tag on Securicor's 40 per cent stake.

Another consideration could be the continuing concern over Cellnet's trading prospects, after a disappointing year in which its growth rate has slowed sharply. By the end of Sep-

tember it had 2.54 million subscribers, below Vodafone's 3.1 million, but its share of overall market growth has slumped this year.

BT has already moved to strengthen its grip over Cellnet's management, appointing Ray Smith, its consumer products manager, as managing director, following the abrupt resignation this year of Howard Ford.

Separately yesterday it emerged that Orange, the newest of the four mobile operators, has claimed victory over Vodafone in the battle to build the biggest network.

Orange now has 3,350 base stations which receive and transmit signals, compared with about 3,300 for Vodafone. The network roll-out is the fruit of Orange's £800m investment programme over the next year.

Dow Jones to merge television channel with CNBC

Dow Jones and CNBC are today expected to announce a merger of their TV operations in Europe and Asia. The move, which has been in the pipeline for some time, will see European Business News and CNBC Europe, the 24-hour business TV channels, fusing into a single entity. Dow Jones, owner of the Wall Street Journal, has a 70 per cent stake in EBN. Flextech, the cable and satellite programmer, has the remaining shareholding. Flextech is to retain its interest, but as a passive investor with no further funding obligations. Flextech said in August that it planned to save £4m a year by discontinuing its investment in EBN. Dow Jones also owns Asia Business News, which is likely to form part of the new entity.

Both CNBC Europe and EBN are understood to make big losses. Some elements of the Bancroft family, which controls Dow Jones, have reportedly expressed concern at the resources soaked up by the group's international TV business. EBN, which launched two years ago, features programmes such as *Your Money*, a personal finance show; and *Media Report*, a media news bulletin. The channel broadcasts in English and German, with a half-hour programme three times a week in French.

CNBC Europe set up a year later than EBN, and runs programmes like *European Money Wheel* and *FT Business Tonight*. Financial Times Television (FTTV) recently laid off more than 50 staff in anticipation of the loss of its daily programming contract with CNBC Europe. EBN is expected to replace FTTV's programmes.

- Cathy Newman

UK, Germany and France back defence consolidation

The British, French and German governments will today throw their weight behind a three-way consolidation of their defence industries to enable Europe to compete with the handful of giant military suppliers emerging in the US. Michael Harrison reports.

Industry and defence ministers from the three countries will urge their arms manufacturers to restructure in what could be the prelude to the creation of a pan-European defence grouping.

Although there will be no announcements of any mergers between the main players in each country, the governments are expected to say that they would be fully supportive of any such moves to rationalise and strengthen Europe's defence sector.

Ministers are also expected to point to the progress the civil aircraft manufacturer Airbus Industrie is making in restructuring itself as a possible model for what could happen in defence.

Margaret Beckett, President

of the Board of Trade, and George Robertson, Secretary of State for Defence, will issue a joint statement in London supporting further cross-border defence mergers, but stressing that the onus is very much on the industries themselves to put together deals. Mr Robertson recently told a seminar of defence manufacturers at the MoD that the choice was "consolidate or die".

British Aerospace (BAe), the country's leading defence company, has long been pressing for the creation of a pan-European defence and aerospace group encompassing everything from civil aircraft and helicopters to missiles, weapon systems and fighter aircraft. Last month it acquired Siemens Defence Electronics in partnership with Daimler-Benz of Germany. It also has a joint military venture in France with Matra, part of the Lagardere group.

GEC, which owns the defence electronics business Marconi, has also been in the forefront of companies pressing for further rationalisation. Both BAe and GEC were unsuccessful in bidding for Thomson-CSF, prompting speculation that the French

were reluctant to take part in a European-wide restructuring.

However, the French Defence Minister, Alain Richard, said in Paris yesterday that the three main Airbus partners - Britain, France and Germany - could put their defence interests together in the next two to three years. This could then form the focal point for a second phase of consolidation involving Spain, Italy and Sweden.

The four Airbus partners are BAe, Aerospatiale, Daimler-Benz and Cassin. They are already collaborating on the Future Large Aircraft programme, a military transporter, while BAe and Daimler are partners in the Eurofighter project.

Analysis has speculated that BAe may ultimately take over Daimler's defence interests and then bring other manufacturers such as Saab into a wider alliance. There remains uncertainty as to what form a combined European-wide defence group would take. There might be friction over its ownership, with Mr Richard suggesting that the French government would retain a stake of up to 40 per cent should BAe, Aerospatiale and Daimler merge.

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Government rules out launch aid for new Airbus jet

The Government has ruled out providing British Aerospace with £120m in launch aid towards the development of a new long-range Airbus jet.

An announcement about the decision is imminent although it is still not clear whether ministers will sweeten the pill by agreeing to slow down the rate of launch aid repayments on earlier Airbus programmes.

The four Airbus partners yesterday formally launched the £2.9bn (£1.76bn) programme to build the A340-500/600 series, a 375 seat aircraft which will compete with the Boeing 747 jumbo jet.

BAe, which has a 20 per cent stake in Airbus and makes the wings, said it had given the three other members of the consortium a commitment that it would fund its share of the development costs. These are in the region of £360m.

The company also indicated that if government support was not forthcoming it would seek to have some of the work carried out by risk and revenue sharing partners overseas. "We would hold discussions with suppliers and industrial partners to see if all or part of the launch costs could be offset in the event that government funds are not forthcoming," said a spokesman.

Airbus has launch orders for more than 100 of the new A340 aircraft worth \$13bn from at least seven airlines. Among the customers are Virgin Atlantic, Lufthansa, Air Canada, Egyptair and Eva Airlines of Taiwan. Rolls-Royce has won engine orders worth \$4bn from the launch customers for a new version of its Trent engine which is being developed with £200m of government launch aid.

- Michael Harrison

THE INVESTMENT COLUMN

EDITED BY SAMEENA AHMAD

CRT: At a glance

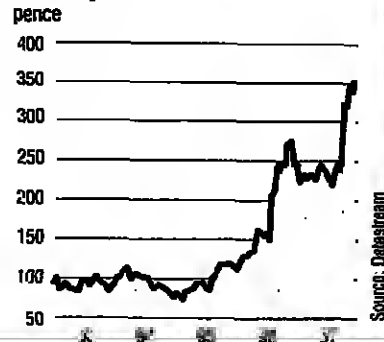
Market value: £508m, share price 355p (+12p)

	1995	1996	1997	96/97	97/98
Trading record					
Turnover (£m)	72.8	103.3	134.3	55.5	119.3
Pre-tax profits (£m)	5.97	6.52	12.06	3.37	6.57
Earnings per share (p)	6.30	5.70	6.86	2.40	3.07
Dividends per share (p)	3.75	4.1	4.3	1.0	1.025

Staff employed

	1996-97	1997-98	1998-99	% change
IT services	850	200	-	-
General services	1,300	1,175	-	-
Total	2,200	1,400	-	-
Contractors/temps on assignment	5,750	3,575	+60.8%	
Permanent placements	728	374	+194.1%	

Share price



CRT recruits Wolffolins for new look

That CRT is being rebranded by Wolffolins, the company that dreamt up Diageo, the ghostly new name for Guinness/Grand Metropolitan, may make investors in the IT recruiter sweat. After all, not everything in black and white makes sense. But Karl Chapman, chief executive of the fast-growing training and recruitment group, insists that CRT's new identity, to be unveiled next May, will go down a treat.

Gathering CRT's many brands under one logo will be more marketable to customers rapidly shrinking the number of their staff suppliers to a few, choice names, he says. Mr Chapman is worth listening to. He floated CRT in 1989 capitalised at £400,000 and worth 40p a share. Today it is valued at over £500m after yesterday's 12p rise to 355p on half-year profits more than doubled and 25 per cent like-for-like growth. Not bad for a group which makes 70 per cent of its profits in the second half.

CRT's success lies largely in Mr Chapman's controversial decision to link arms with Michael Milken, jailbird and junk bond dealer, and Oracle, whose KU group bought

a controlling stake in CRT last autumn. That gave CRT £109m cash to expand just when the shortage in computer programmers was starting to get serious. With £50m of KU's cash still left and plenty of private UK consultancies to buy, Mr Chapman believes CRT will be a multi-billion pound company within five years. He also plans to take CRT into non-IT areas, though he won't yet say what. Plans for rapid expansion and diversification warrant caution. While IT recruitment is relatively counter-cyclical, a move into a new area could expose the company to economic swings. A combination of rebranding and a heady period of acquisitions may also strain CRT's open and flexible small company culture. However, CRT does need to build an international presence to service the global needs of its customers.

CRT is likely to fund acquisitions with equity. Another KU investment is possible. However, prices of IT companies are rising and bargains, even in the private sector, must be getting harder to find. Analysts are forecasting £20.4m for the full year. On a heady 36 times, take profits.

Alders shares look like a bargain

It has been a good year for the new, slim-sold Alders. Shorn of the duty-free operation sold to Swiss Air last summer, the department store retailer has started to look a simpler and more attractive investment. As a result, the City has begun to re-rate the shares, which have risen from 178p at the beginning of the year to 237p, up 8p yesterday. And on the evidence of yesterday's full-year figures and an upbeat trading statement, the re-rating has a way to go yet.

Operating profits on continuing businesses rose 59 per cent to £18.8m, excluding the exceptional gain from the duty free sale in last year's numbers. Like-for-like sales, which were ahead by 12 per cent in the year, have remained strong in current trading, running 9 per cent higher. With a focus on home furnishings, the strengthening housing market has helped Alders. Its sales of furniture and beds, for example, rose 30 per cent on the year before.

Alders was tripped up in the recession by over-exposure in the South-east, but this has been rectified with the acquisition of eight Owen Owen stores for £23m last year. Sales densities and margins have increased sharply and there is more to go for. The seven Maples stores acquired from the receivers for £3.8m in September have already been re-branded under the Alders and Alders at Home facias.

In the department stores, Alders wants to increase the penetration of higher margin, own-brand ranges from 7 per cent of group sales to 20 per cent. Its in-house fashion label will be extended to all branches in the spring and a more classic fashion label will follow in the summer.

On forecast profits of £25m, the shares trade on a forward rating of just 11, a huge discount to the sector. Buy.

Yule's bid fails to cheer investors

Yule Catto yesterday emerged as the mystery suitor for Holliday Chemicals, and investors were not impressed. Yule shares plunged more than 10 per cent to 274.5p, dragging down the value of the cash and shares bid to about 229p per Holliday share.

According to Alex Walker, Yule's chief executive, this is a classic case of the City failing to see the strategic merits of a deal. He argues that the speciality chemicals industry is going global. Although there are no obvious cost-cutting benefits - plants will not be closed, huge numbers of people will not be laid off - this deal will give Yule distribution and marketing clout. Its portfolio of polymers, flavours and fragrances will also sit well alongside Holliday's pharmaceutical chemicals like ranitidine, the generic version of Glaxo's Zantac ulcer drug.

Still, at £237m this is a big bite for Yule, which is currently worth £260m. The company has never done an acquisition this size, and there must be doubts over whether the management can handle it. Another worry is the balance sheet. Pro-forma figures for last year show the combined group would have had interest cover of just over four times, though that will be more like five to six times when the deal goes through. Given Holliday shares were worth 119p, just half the current bid price, as recently as February, questions should also be asked about Yule's timing.

With the value of Yule's offer sliding, another bid may emerge. But that is unlikely, and even so a rival suitor would not have to offer much of a premium to the prevailing share price. Investors with Holliday shares should sell them in the market. And with Yule Catto likely to be on probation for at least 12 months, its shareholders should think seriously about putting their money elsewhere for the time being.

British Midland set to double profits despite low-cost rivals

British Midland yesterday shrugged off the challenge from the new low-cost, no-frills carriers by predicting that profits would more than double to £15m this year. The airline also confirmed it would start flying from Heathrow to Manchester next year in competition with British Airways and Virgin Trains' 'indifferent' rail service. Michael Harrison reports.

The sharp rise in profits this year from £6.1m in 1996 has been achieved despite fierce competition from a number of low-cost airlines on British Midland's domestic and European routes.

Passenger numbers in the first 10 months of the year were up by 7 per cent to 5.1 million and sales were 16 per cent higher at £452m. About £3m of the profits increase was due to the strike over the summer by BA cabin crew.

Sir Michael Bishop, British Midland's chairman, said he had no interest in launching a low-cost airline as BA has done

and forecast that half the no-frills airlines now operating could fail.

Referring to Ryanair, EasyJet, Debonair and Virgin Express, he said: "Only one [Ryanair] is truly financially successful and how many more the market can take with BA starting up will be interesting to see. I think it will follow the US pattern. One or two will make it and the rest will find it difficult to make a meaningful return on their investment."

Sir Michael also criticised the rail service on the West Coast Mainline provided by Richard Branson's Virgin

Trains, predicting that British Midland would make big inroads into the London-Manchester market before Virgin had introduced its new fleet of high-speed trains.

British Midland will start flying eight times daily to Manchester from 29 March next year and is promising to undercut BA's business class fare by £20. A three-day business return will cost £178 and economy fares will start at £59.

"We are responding to the strongest possible representations made to us by commerce and industry in the North-west that the present situation of an

indifferent rail service and a monopoly air route to London is harming the competitiveness of this important region of the UK," said Sir Michael.

BA flies just under 1 million passengers a year between Heathrow and Manchester but together with other services from Gatwick, Stansted and London City, the airline market is reckoned to be nearer 1.5 million. Including rail passengers, the overall travel market is about 3 million a year. British Midland is aiming to take about 25 per cent of the market in the first year, rising to 35-40 per cent after two years on the route.



Christie's did not disclose the identity of the suitor but said that the proposals were not in the interests of shareholders

Christie's ends talks with 'bidder'

Auction house Christie's International said yesterday that it had ended talks with a possible bidder, claiming the proposals were not in the best interests of shareholders. Shares in Christie's closed a penny higher at 250.5p, significantly ahead of their 12-month low of 224.5p last month.

Christie's did not disclose the identity of the bidder. However, some City sources suggested the management might have been interested. Meanwhile, there has been long running speculation that the Bahamas-based investor Joe Lewis, who holds a 29 per cent stake in Christie's, may be interested in making an offer for the remainder. At yesterday's closing price Christie's would be valued at £390m.

Mr Lewis, a reclusive entrepreneur, has built a reputation as a canny investor. He bought a 25 per cent stake in Glasgow Rangers, the Scottish football club, earlier this year.

Christie's has had a good run recently. Last year its auction house sales of just over £1bn were higher than Sotheby's for the first time in 40 years. In July it announced half-year sales of £557m, a rise of 15 per cent.

Liberty rebels seek board's surrender

Rebel investors in Liberty, the Regent Street retailer, are trying to persuade the board to concede defeat ahead of the planned emergency general meeting on Thursday.

The founding Stewart-Liberty family and Bryan Myerson, the South African investor, who are proposing to oust the group's chairman Denis Cassidy, say the meeting is no longer necessary as they already have the backing of more than half the shareholders.

The rebels claim the outcome has been decided by the apparent decision of the Merchant Navy Pension fund, which has a 3 per cent stake, either to abstain or vote against the board. Either outcome would be a big setback for the board as the Stewart-Liberty family, together with Mr Myerson, already account for 47 per cent of the votes. The family also claims that other institutions may also abstain or vote in their favour.

Odile Griffith, the family's financial representative said yesterday: "The board must realise we've won. We have been asking to meet with the executive directors for some time and we would like to do so at the

first opportunity. Normally these things are not discussed in public meetings or via the press."

Last week the board claimed it had won the support of 34 per cent of shareholders. It said yesterday that it would not concede defeat ahead of the meeting. "Nothing is lost until the votes are cast. The egm is still going ahead."

If the rebels succeed in ousting Mr Cassidy, the company faces the prospect of losing all its advisers, who have threatened to resign and the possible loss of the two executive directors who have said they may find themselves in an untenable position.

The Stewart-Liberty family have been unhappy with Mr Cassidy's management style and plans to spend £43m on the re-development of the flagship Liberty store on London's Regent Street.

The battle has been a messy affair including a split between various branches of the Liberty family. While the Stewart-Liberty family formed a concert party with Mr Myerson to oust the chairman, three other branches of the family threw their backing behind the board.

- Nigel Cope

Energis shares priced below 300p for debut

Shares in Energis, the business telecoms group owned by National Grid, will be priced well below the 300p barrier, valuing the company at around £900m, when they begin trading on the stock market this afternoon.

Executives from the two companies, led by David Jones, the Grid's chief executive, and Mike Grabiner, chief executive of Energis, set the conservative flotation price last night after a marathon marketing effort to potential investors in the UK and US.

The flotation is expected to value each Energis share at about 290p, compared with an anticipated range of between 250p and 325p. Analysts last night suggested the share offer had been three-times oversubscribed after the book-building process, but pointed to stronger interest from the US than the UK.

The Grid is selling 26 per cent of Energis' share capital in a complex arrangement, but could lift this to almost 30 per cent depending on demand. Today's price would raise enough proceeds to pay off a £205m debt from Energis to the parent company.

The likely final float price is a blow to hopes that Energis might float closer to the £960m top of the valuation range. But it will be hailed by the Grid as a vindication of its original decision to invest £480m in the venture, which wraps telephone wires around power cables.

Energis has been boosted by the Government's U-turn in Brussels last week over the UK system of telecoms competition. Ministers have agreed to adopt an European Union directive which would allow homes in the UK to nominate a rival carrier of choice to BT.

Though Energis is not expected to enter the residential market, it could gain more traffic on its network from other operators after 2001, when the directive comes into force.

- Chris Godsmark

Late payers face bigger interest penalty

Small businesses have won an important victory in their battle against late payment by convincing the Government to allow them to charge an interest rate of 8 per cent over base rate on unpaid invoices. According to industry sources, the interest rate will be specified in the Government's late payment bill, which will be introduced to Parliament later this week. The Government had originally suggested a rate of 4 per cent over base rate.

Small businesses argued a statutory right to interest should be set sufficiently high to provide an effective deterrent for late payers. To avoid abuse by large companies, the legislation will initially only apply to small businesses pursuing claims from larger firms. After two years, it will be extended to small firms claiming from each other, before being made universal after a further two years.

- Peter Thal Larsen

Hilton wins Cardiff contract

Hilton, the hotel giant, has fought off Sheraton, Inter-Continental and Westin to win a contract to run the first five-star hotel to be built in Cardiff. The new hotel, situated in the heart of the City overlooking Cardiff Castle, will have 200 rooms, the largest ballroom in the area and a health and fitness centre. It will rival Sir Rocco Forte's new luxury hotel development in Cardiff Bay. TBI, the property and airports group which runs Cardiff airport, is developing the new hotel which will open its doors in 1999, in time to house visitors to the Rugby World Cup.

BT price claims allowed

A High Court judge yesterday lifted an injunction preventing BT releasing a report claiming its prices for small business customers were lower than those offered by Cable & Wireless Communications (CWC). BT's research, which covered 200,000 businesses with typical quarterly bills of less than £100, had claimed its overall prices were 4.7 per cent below the lowest prices offered by CWC, a claim its rival had disputed. CWC will tomorrow launch an advertising campaign claiming it has netted 135,000 small business customers, though it will not directly claim that its prices are cheaper.

Jarvis wins rail work

Jarvis, the acquisitive railway maintenance group, has been awarded three contracts by Railtrack worth a maximum £490m over five years. The contracts were awarded by Railtrack to Fastline and Relayfast, the track renewals businesses that Jarvis bought for £55m in July. The announcement came as Jarvis announced a threefold rise in pre-tax profits, to £12.7m from £4.4m, for the six months to September. The shares gained 16.5p to 349p.

Marston expansion on track

Marston, Thompson & Evershed, the brewing and pub group, confirmed it was on track to have 50 Pitcher & Piano outlets trading by the end of 2000, despite having experienced delays in openings over the last six months. Pre-tax profits rose to £15.8m (£14.7m) for the six months to September thanks to a strong performance from the Pitcher and Piano chain and a rise in sales of Pedigree beer which offset falls in other brands.

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OUTLOOK ON CONSOLIDATION, IN BANKING AND DEFENCE, AND THE STATE OF THE UK STOCK MARKET

Swiss merger is no blueprint for Britain

Martin Taylor, chief executive of Barclays, is not quite a Eurosceptic, but he is a leading business opponent of the single currency, which he thinks could prove economically disastrous for Europe. That doesn't seem to have stopped him and his allies marshalling the arguments of monetary union in favour of allowing Barclays to takeover National Westminster Bank. He'll be at it afresh now that Union Bank of Switzerland has agreed merger terms with Swiss Bank Corporation to create what on most measures is the world's second-largest bank. If the Swiss are allowed to do it, why not us, he'll be asking government ministers.

Underlying the creation of this new Swiss banking behemoth is the perceived need to respond to and prepare for greater European union. The single currency ought to create a much more competitive and transparent European market in capital and financial services. This in turn creates further pressure for cost cutting and mergers, both domestic and cross border.

There is a certain irony in the fact that Switzerland is not part of the European Union, nor does it have any intention of joining the single currency. None the less, both banks have extensive operations throughout Europe, including the City, where they have competing investment banking operations. Both banks also fear they might fall prey to a foreign predator if they don't merge with a more friendly home player.

Exactly the same thought process plagues Martin Taylor and his counterparts

elsewhere in the UK banking sector. Barclays and NatWest rank only number 19 and 20 in the world in terms of assets, and individually they will amount to little more than half the size of the unimaginatively renamed United Bank of Switzerland. If commodity banking, like other industries, is going to become dominated in the single market by just three to four big players, then what chance do these two and others have of surviving as independents?

This, however, is where the argument rather runs out of legs, for in truth the Swiss bank merger leads only very superficial support to the case for allowing Barclays and NatWest to merge. For a start, Switzerland is a country of just 8 million people. Its most famous exports are the cuckoo clock and the Swiss army knife. Even its skiing industry isn't much cop these days. When things get tough, it adjusts its workforce by throwing out the immigrants.

Switzerland's success as an economy, and that of her banks, is an international one. In Switzerland, it is genuinely possible to make the argument that the creation of national champions in the international arena should be allowed to override all domestic competition concerns. That's one of the reasons why Switzerland has become home to so many leading multinationals and so much international capital.

The same case cannot be made for Britain, with its much larger and more vibrant domestic market place. Barclays and NatWest already have market shares in small business and credit-card lending which might be considered unhealthy for a large

economy of 60 million people. Do we really want to give them even greater power? In recent years, both banks have been poor at product innovation and in customer service. In all yesterday's global banking speak and Swiss cost cutting zeal, there was not a single mention of what this merger might do for the customer. We can expect even less if Barclays were to consummate its desires by merging with NatWest.

The Government should put a stop to the fevered imaginings of our leading bankers by making a clear and unambiguous statement that further large-scale domestic consolidation in the banking sector will not be tolerated. If there are any bankers who really believe in the Eurodimension, they should have the courage of their convictions and attempt a cross-border merger. Now why does that possibility seem just so unlikely?

Strategic concerns disarm the French

The need for Europe's defence industries to rationalise is finally beginning to receive some political impetus, even though the structure of what may emerge is still a long way off the radar screen. Today the defence and industry ministers of Britain, France and Germany will present a united front in calling for their respective arms manufacturers to restructure or face annihilation at the hands of American counterparts.

Cheekily, the French nipped in a day early with a sighting shot yesterday from their Defence Minister, Alain Richard. He suggests that the restructuring might be modelled on the corporate makeover now being undertaken at the civil aircraft manufacturer Airbus. Can this possibly be the same country that has resolutely said "non" to any foreign involvement in the restructuring of its own defence sector?

Improbably, this does indeed seem to be the case. The French have become converts to the cause of pan-European defence consolidation having realised that the alternative is to be outflanked by an Anglo/German pincer movement. The joint (though doomed) bid by British Aerospace and Daimler for Thomson-CSF was one early warning. Another was the BAE/Daimler acquisition of Siemens Defence.

With the French now on board, the idea of consolidation moves from the wish list to the drawing board. But given the mix of chauvinism and secrecy that goes with defence procurement, merging Europe's defence industries remains a daunting task.

Hangover due in the new year

Everything is for the best in the best of all possible worlds. That appears to be the philosophy of Anglo-Saxon financial markets, at any rate. Both the Dow and the FTSE 100 index are heading back towards their record peaks, while the US and UK

government bond markets are on an improving trend once more.

Crisis in Asia? So what. Growth will be made to slow a bit, but that's just what the doctor ordered. The financial turmoil of the last two months has made for a healthy correction in the more ebullient markets. Global deflation? It's the fashionable bogeyman for analysts to fret about, but it also still has the mythical status of a monster under the bed. Investors don't expect it to reach out and grab them by the ankles.

Investors on the whole continue to believe inflation will stay low and corporate profits healthy. There are plenty of reasons for optimism but for the dirty realists amongst us, it is all too good to be true. One nagging worry is that the Bank of England thinks it will hit its inflation target only if growth slows sharply next year — and it has a relatively optimistic inflation forecast. That doesn't square with the outlook for profits implied by the rising FTSE 100. Another issue is the monstrous success of the US job-creation machine. It is starting to trigger higher pay growth, and this has not been factored into profits forecasts either.

Something will give, and it is more likely to be rosy growth than low inflation. A straw in the wind was the latest Merrill Lynch survey of fund managers, showing the greatest interest in selling rather than buying equities for well over a year. Watch out for another puncture in the bubble of stock market optimism in the new year.

High-street sales show signs of economy cooling down

The strong pound has tightened its squeeze on manufacturing industry, while the retail spending boom might just be tailing off. The latest evidence suggests that the economy is finally starting to cool down. Diane Coyle, Economics Editor, finds few analysts expecting more than one further rise in interest rates.

"Retailers face a white knuckle ride because we will not know until the last minute what Christmas sales will be like," said Andrew Higginson, chairman of the British Retail Consortium's (BRC) economic affairs committee.

The BRC's latest monthly survey, like a similar one from the Confederation of British Industry last week, reported a slowdown in the growth of high street sales last month. Festive spending has got off to a slow start because Christmas Day falls on a Thursday, leaving more last minute shopping opportunities.

Mr Higginson said anecdotal evidence from the first week of

December pointed to a pick-up. But he said: "The broader picture is that sales are definitely slowing down."

The survey showed the value of sales up 4.4 per cent in the year to November, only half the previous month's figure, and the weakest since April 1996. Spending is climbing at a slower pace than earlier in the year, no longer fuelled by the windfall of free building society shares.

While neither the BRC nor the CBI survey provides an accurate month-by-month guide to the official figures for retail sales volumes, they join other surveys in the wind indicating that higher interest rates are cooling the feverish pace of spending growth.

At the same time, official statistics revealed a surprise fall in manufacturing output last month. "One month's decline does not make a recession, but it does point to a very patchy outlook," said Clavin Barr, an economist at Deutsche Morgan Grenfell.

With new figures confirming the subdued state of industry, and surveys hinting at a slowdown in the high street, many analysts were predicting the Bank of England would be satisfied with one more rise in the cost of borrowing in the new year.

David Hillier at Barclays

Capital said: "The new year pay round will still be very important for the Bank's calculations, but the slowdown in growth could be very sharp."

Other experts reckon the slowdown will be less dramatic, but even so, few think interest rates will climb much further.

Manufacturing production fell 0.2 per cent in November, taking the annual growth rate to 1.3 per cent. Total industrial output, which also includes mining and electricity, gas and water supply, also fell 0.2 per cent during November. But its annual growth edged up a fraction to 1.9 per cent.

Engineering, a heavily export-oriented sector, remained the strongest performer. But its output was flat during the month, and the annual growth rate slowed. Other industries exposed to the strong pound, such as textiles and chemicals, were also weaker.

Separate figures for prices manufacturers paid for materials and charged at the factory gate confirmed there was no sign of inflationary pressure in industry thanks to the squeeze from the strong pound. Input prices fell 1.9 per cent in November, driven by sharp falls in oil and food prices, to a level 8.3 per cent lower than a year earlier.

Outlook, this page

BREITLING ORBITER 2 CHÂTEAU-D'OEX · SWITZERLAND · WINTER 97/98

Take-off approaches

During their promising first flight aboard the BREITLING ORBITER 2 on January 12 1997, Bertrand Picard and Wim Verstraeten had very little time to observe the good flight performance of the "rozier" balloon and the smooth operation of the capsule — flawed only by a tiny detail, in the shape of the defective clamp which resulted in the famous kerosene leakage.

Several hours after the subsequent incident-free landing on water, BREITLING decided not to give up after this first attempt. An entirely new rozier balloon, BREITLING ORBITER 2, was thus built, taking account of the lessons gleaned from the first flight. The new craft features a larger envelope to allow for more fuel, itself entirely redesigned to house a third crew member: Andy Elson, the flight engineer involved in the development of BREITLING ORBITER 1.



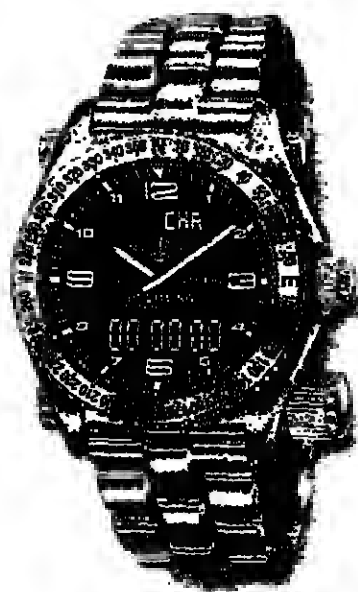
BERTRAND PICCARD
WIM VERSTRAETEN
ANDY ELSON

Right from the next favorable meteorological window this winter, the crew of the BREITLING ORBITER 2 — which has been gearing up all summer for a new attempt — will be at Château-d'Oex for a second extraordinary take-off, with a view to setting the last great aviation record: a non-stop round-the-world balloon flight at an altitude of 10,000 meters.



January 12, 1997: the BREITLING ORBITER 1 heads for its planned round-the-world trip

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Strapped to the wrist of the crew of the BREITLING ORBITER 2 will be an exceptional instrument watch, equipped with an emergency microtransmitter. In its civil aviation version, the EMERGENCY broadcasts on the 121.5 MHz aircraft distress frequency and complements the ELT-type beacons also on board.

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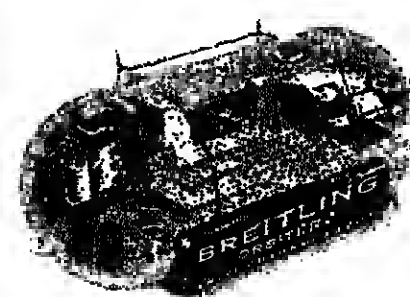
Powerful jet streams

While the sun and its effect on helium will provide the upward driving force for the BREITLING ORBITER 2, jet streams will be the determining factor in terms of speed and distance covered. Unknown up until World War II, jet streams — sometimes reaching speeds of between 300 and 400 km/h — now play a significant role in the velocity of transatlantic flights.



The Kevlar and carbon fiber cabin of the BREITLING ORBITER 2 will be exposed during the flight to the extremely low temperatures (between -55°C and -70°C) prevailing at high altitudes.

Sophisticated thermal insulation and a kerosene-burning heating system will maintain the temperature on board at around 18°C to 20°C.



Closely linked to the world of aviation since the early days of "heavier than air" flight, down through the decades BREITLING has consistently produced increasingly sophisticated wrist-worn instruments for pilots. BREITLING is extremely proud to be a part of this new non-stop round-the-world balloon attempt and wishes a successful flight to Bertrand, Wim and Andy.

S Korea misses out as stocks rebound in the Far East

Almost all the Asian stock markets showed signs of cautious optimism yesterday. But, as Stephen Vines reports from Hong Kong, there is no sign of an end to the problems in Seoul.

A more familiar gloom reassured itself yesterday in South Korea, where the roller-coaster of the Seoul stock market sent shares soaring at the end of last week, with the market falling by almost 5 per cent.

Some of the fall came from profit taking but it was also triggered by news of the failure of the Hallya Group, the country's 12th-largest conglomerate, which owns a fork-lift trucks factory in Merthyr Tydfil, south Wales, employing 180 people. Yesterday corporate uncertainty deepened with an announcement by Hyundai, Korea's biggest conglomerate, which said it was cutting investment by 30 per cent and intended to refocus on the export market.

Meanwhile, another conglomerate, Daewoo, announced that it would be taking over the ailing Seanyong Motor

company, a move seen as risky by investors.

The government also entered the takeover mood by seizing control of the troubled Seoulbank, possibly with a view to throwing it into the merger pot with other grief-stricken financial institutions.

South Korea is just days away from the signing of the biggest international financial rescue package in history and investors are still not sure whether it will be enough to put the world's 11th largest economy back on its feet.

However, Malaysia's troubled stock market registered its biggest one-day rise in history yesterday, hurtling through the gloom of recent months. The blue-chip index gained more than 11 per cent in response to the government's announcement of a tough austerity programme and a decisive cut in economic growth forecasts.

Much of the damage in Malaysian financial markets has been self-inflicted following attacks on international financiers by Prime Minister Mahathir Mohamad. However, his deputy Anwar Ibrahim, who also serves as the Finance Minister and is better liked by the financial community, moved to centre-

stage by announcing the austerity plan last Friday. Yesterday Mr Anwar went further to reassure investors, in effect negating Dr Mahathir's calls for outlawing currency speculation. "Malaysia will also continue to practise a market system," Mr Anwar insisted, saying there were "no plans to introduce any controls over foreign exchange".

He announced that government ministers would set an example in the austerity stakes by taking a 10 per cent pay cut. Malaysian economic growth forecasts for next year have been cut from 7 to 4.5 per cent. Government spending will be slashed by 18 per cent and measures have been introduced to tighten credit supply.

The government finally appears to be speaking the same language as investors who have knocked more than half off the value of shares on the Kuala Lumpur stock exchange since the beginning of the year.

In Thailand, the Finance Minister, Tarrin Nimmanaheminda, announced that only two of 58 finance companies whose licences were suspended would be allowed to reopen. Investors responded well to the announcement with a modest rise in share prices.



HAMISH
McRAE
ON THE
LATEST
LESSONS
FOR BANKS

The financial folklore that cannot be banked on

We are re-learning two old lessons about banking this autumn, and - maybe - learning two new ones.

One of the old lessons is highlighted by the oews of the merger yesterday of two of the three big Swiss banks. For anyone who follows banking the fact that there should be three big Swiss banks is part of the folklore. Banks in other countries might merge, he taken over, or even fold - more of that to a moment. But the three big Swiss banks seemed unassailable, symbols of Swiss solidity and competence in international banking.

That view was wrong. It was wrong because anyone who took that view was forgetting that the domino effect in banking is still one of consolidation. Banking, particularly international banking, is becoming more and more a commodity business, where it is very difficult for any bank to sustain a comparative advantage over the others. As margins become compressed, size matters more and more.

The practical illustration of that is the shedding of labour planned by the Union Bank of Switzerland and the Swiss Bank Corporation: the present joint workforce of 56,000 will be trimmed to 43,000. Those 13,000 people are simply not needed, for the merged bank reckons it can do the same amount of business without them.

Wherever you look in the world a similar process is taking place. Even here in Britain, which has experienced several waves of consolidation, being reasonably big seems to be no sure protection - neither NatWest (itself the product of a merger) nor Barclays seem entirely certain to remain independent entities. At some stage consolidation will stop. That will

happen when there is little or no advantage to be gained from further economies of scale. But at the moment the long-term trend remains established.

The second lesson of the autumn comes from a different part of the world, East Asia. This is that banks should not become too close to their clients, particularly their commercial clients.

"Relationship banking", where the bank seeks to have a long-term relationship with its clients, has long been touted as a preferred alternative to "commodity banking". From the bank's point of view, binding in a customer in some kind of long-term relationship ought both to enable it to know more about the customer's business and to earn a higher margin because the customer is not shopping around for the cheapest service. And from the customer's point of view, a long-term relationship should ensure more support if things start going wrong.

There are undoubted advantages in the relationship model, particularly in good times. But - and this is the lesson of the autumn - it carries the most profound dangers when things turn down, for when a bank's customers are under pressure, too close a relationship also threatens the bank.

The East Asian banking model, where banks are bound into commercial empires with cross-holdings, is currently crippling the recovery in Japan, for the high proportion of non-performing loans not only undermines the bank's balance sheet, but it inhibits them from seeking new business. So creditworthy companies are unable to borrow because the banks that might lend to them are too frightened by their

weight of bad debt. Of course, in several East Asian countries, cronyism and in some cases fraud have exacerbated the problem. But even without that the model has been shown to be flawed. It will be interesting to see how long it will take for British enthusiasts of the Japanese banking model to acknowledge its evident weaknesses.

Those are the two old lessons. What about the possible new ones? One is that to be a banking name is not necessary to be a bank.

Banks, seen as a brand, have extraordinarily longevity. The two main Scottish banks, Bank of Scotland and the Royal Bank of Scotland, date back to the seventeenth and eighteenth centuries. The four main UK clearing banks go back, in various forms, to the last century. The Midland name has survived change of ownership to the Hong Kong and Shanghai Banking Corporation. Compare that longevity with the brand names in, say, the motor industry. Austin? Morris? Hillman?

But the last year has seen the most serious challenge to banks as brands, and it is happening here in Britain. Suddenly we have new banks - Tesco, Sainsbury, Virgin. The stores groups had been chipping away at the fringes of the financial service business for some time, for example by Marks & Spencer offering unit trusts. But the success of the supermarket as deposit-takers is something new.

Go back a quarter century and everyone thought that money was different. People might be prepared to buy strange brands of coffee or soft-drinks (though, in fact, the brands there are pretty stable); they might experiment with new stores; but banking was banking. So while

there would be competition within banking and competition for deposits from other established financial institutions such as the building societies, no new banking brands could be established.

The first challenge to that came from First Direct, where Midland, at that stage still independent, deliberately did not use its existing brand name for this new style of banking, but developed another.

The word "direct" then became a generic term for financial services sold and handled over the phone. But people did know that Midland was behind the venture, which gave them a certain confidence. With hindsight I suspect that, had the venture been called Midland Direct, growth would have been even faster and the banks might have retained their independence.

The second challenge came from other established brands, the retailers. This was not entirely new - there was, after all, already a Harrods Bank - but the idea that one sort of brand can be transferred to an entirely different type of venture really would have seemed astounding 25 years ago.

So the first of these two new lessons is that brands in finance are transferable. The Virgin brand, based on a record company and only a generation old, is evidently as good as bank brands which have taken centuries to build.

And the second new lesson? Well, it is not really a lesson, more an observation on the East Asian banking crisis. It is that for personal business at least, banking brand names do not seem to cross national boundaries very well. I should think most of us are quite glad that we do not have an account with a Korean or a Japanese bank.

PEOPLE & BUSINESS

JOHN WILLCOCK



A sombre start to the week, with the sad oews yesterday that Sir Peter Hunt, chairman and managing director for the last 10 years of Britain's biggest property company, Land Securities, has died unexpectedly following a recent operation.

Sir Peter, 64, was due to make way for Ian Henderson as managing director next July, while staying on as chairman. No decision on a new chairman has yet been made by the company, which was said by a spokesman to be shocked by the news.

Sir Peter was still training as a chartered surveyor when he answered a query from Lord Samuel, the entrepreneur who set up Land Securities after the war. Lord Samuel immediately recognised his potential and recruited him to the company. Sir Peter was made managing director 20 years ago.

Lord Samuel built the group on the slogan "location, location, location", investing heavily in prime sites after the war. Sir Peter gained a reputation for preserving that vision by restricting Land Securities largely to UK prime sites. Colleagues say his other key achievements were to identify retail warehouses as a growth market, and to choose the right time to launch development programmes, once in the mid-1980s and again two years ago. He will be missed.

Celtech's research and development director David Bloxham will be leaving the pharmaceutical company early next year to become chief executive of Therexys, an unquoted drugs company. Mr Bloxham joined Celtech in 1990 as head of R&D and more recently has had the additional role of chief operating officer.

Celtech said it expects to announce a replacement R&D director in the near future. In the meantime, Geoffrey Yarranton, director of research, and Ursula Ney, direc-

tor of development, will report to the chief executive, Peter Fellner.

The City Circle, the restaurant at 10 Basinghall Street famous for its scantily clad serving wenches, has been bought by a bunch of South Africans from Richard Reynolds, who ran the establishment for 27 years. Sources close to the eatery tell me that Mr Reynolds was assured of a continuing role at the restaurant, but was eased out last Friday. I've overheard there myself (honest).

Companies that specialise in decontaminating nuclear power stations rarely come top of the City's beauty parades, especially if they are listed on AIM. But Jordec has a keen following among specialist AIM trusts run by venture capitalists like Close Brothers, for instance.

Jordec's chief executive is John Foley, a 41-year-old former barrister who gave up the law to become a chartered accountant with Price Waterhouse. He then turned businessman by joining Fosco, then moved to Triplex Lloyd before climbing aboard Baris Holdings, which in turn became Jordec last year.

Mr Foley is also non-executive chairman of Belfast City Beat, the radio station and Ulster's answer to Capital Gold. He played cricket at school against Imran Khan, and played for Worcestershire seconds in the 1970s. Jordec has transformed itself from a loss-making provider of ultra-clean environments for the chemicals industries to a specialist operator working hand in glove with the Atomic Energy Authority and British Energy.

A link with Corpe Technologies last month gave the company access to technology that could extend the working lives of the UK's 23 nuclear power stations. Last year the group turned a loss into a small profit but, according to the brokers Williams de Broe, Jordec could double profits to one million pounds this year.

Horace Clarkson, the shipping and insurance broker, said yesterday that managing director Hugh McCoy, who is also chairman of H Clarkson & Co, has decided to retire a year earlier than planned. He will leave the company next February on his 59th birthday "to pursue other business activities" and is due to assume the chairmanship of the Baltic Exchange next June. Gary Weston, a director of Horace Clarkson and deputy chairman of H Clarkson & Co, will succeed him as chairman.

Hot news just in from Enschede in the Netherlands: the Dutch brewing company Koninklijke Grolsch has decided not to launch its special anniversary beer. Finally, after checks showed that the 1.5-litre bottles are liable to break. According to a spokesman, the decision will cost Grolsch "tens of millions of guilders". Grolsch intends to seek damages from the glass manufacturer.

Foreign Exchange Rates

Country	Sterling Spot	1 month	3 month
UK	100.00		
Australia	24.563	2.4536	2.6483
Austria	20.749	2.0707	2.2654
Belgium	60.694	6.0544	6.2120
Canada	23.427	2.3562	2.5233
Denmark	11.227	1.1227	1.1837
ECU	14.880	1.4837	1.4779
France	6.5607	0.6527	0.6575
Germany	6.5607	0.6501	0.6491
Greece	2.340	2.2679	2.2933
Italy	2.374	2.3793	2.3738
Japan	15.430	1.5430	1.5430
Korea	20.354	2.0354	2.0354
Malaysia	6.0622	0.6062	0.6062
Mexico	3.358	0.3358	0.3358
Netherlands	3.3510	0.3350	0.3350
New Zealand	2.750	0.2750	0.2750
Norway	1.1925	0.1192	0.1192
Portugal	30.034	3.0034	3.0034
Saudi Arabia	6.624	0.6749	0.6812
Singapore	2.6432	0.2643	0.2657
South Africa	4.0328	0.4032	0.4032
Spain	24.21	2.4215	2.4725
Sweden	2.4037	0.2403	0.2403
Switzerland	1.4843	0.2381	0.2356
US			

Other Spot Rates

Country	Sterling	Dollar	Country	Sterling	Dollar
Argentina	16.483	100.00	Oman	0.8846	0.8846
Brazil	18.922	111.8	Pakistan	72.856	44.000
Canada	63.446	63.446	Philippines	36.000	36.000
Chile	58.035	35.209	Poland	3.8846	3.8846
China	5.9981	3.3988	Romania	3.6406	3.6406
Czech	3.0655	2.0655	Russia	1.8670	1.8670
Hong Kong	7.7564	7.7564	South Korea	2.565	2.565
Hungary	6.4201	3.8950	Taiwan	3.1765	3.1765
India	6.7810	1.6810	Thailand	6.291	6.291
Indonesia	15.025	0.0049	UK	0.6034	0.6034
Kuwait	12.708	7.700	UAE	6.0534	3.6755
Nigeria					

Interest Rates

UK	Germany	US	Japan
Base	7.25%	Discount	2.50%
France	6.50%	Discount	4.50%
Intervention	3.20%	Discount	5.50%
Italy	6.25%	Discount	4.00%
Discount	6.25%	Discount	4.00%
Netherlands	3.30%	Discount	3.50%
Spain	3.30%	Discount	3.50%

Bond Yields

Country	3m	6m	1yr	2yr	3yr	5yr	10yr
Australia	4.96	4.96	4.96	5.33	5.33	5.68	6.21
Belgium	4.01	4.01	4.01	4.01	4.01	4.01	4.01
Canada	4.28	4.28	4.28	4.28	4.28	4.28	4.28
ECU	4.28	4.28	4.28	4.28	4.28	4.28	4.28
France	4.01	4.01	4.01	4.01	4.01	4.01	4.01
Germany	4.01	4.01	4.01	4.01	4.01	4.01	4.01
Italy	4.01	4.01	4.01	4.01	4.01	4.01	4.01
Japan	4.01	4.01	4.01	4.01	4.01	4.01	4.01
Netherlands	4.01	4.01	4.01	4.01	4.01	4.01	4.01
Spain	4.01	4.01	4.01	4.01	4.01	4.01	4.01
Sweden	4.01	4.01	4.01	4.01	4.01	4.01	4.01
Switzerland	4.01	4.01	4.01	4.01	4.01	4.01	4.01
UK	4.01	4.01	4.01	4.01	4.01	4.01	4.01
US	4.01	4.01	4.01	4.01	4.01	4.01	4.01

Money Market Rates

Overnight	1 week	1 month	3 months	6 months	1 year
3m	7.25	7.25	7.25	7.25	7.25
6m	7.25	7.25	7.25	7.25	7.25
1yr	7.25	7.25	7.25	7.25	7.25

Life Financial Futures

Contract	Settlement	High	Low	Est floor volume	Open interest
Long Gilt	Dec-97	103.22	103.22	3483	3477
Short Gilt	Dec-97	103.22	103.22	3483	3477
US Long Bond	Dec-97	103.22	103.22	3483	3477
US Short Bond	Dec-97	103.22	103.22	3483	3477
3m Eurodollar	Dec-97	103.22	103.22	3483	3477
3m US Dollar	Dec-97	103.22	103.22	3483	3477
3m Eurodollar	Dec-97	103.22	103.22	3483	3477
3m US Dollar	Dec-97	103.22	103.22	3483	3477

Life FTSE 100 Index Option

Series	Call	Put	Call	Put
FTSE 100	103.22	103.22	103.22	103.22
FTSE 100	103.22	103.22	103.22	103.22
FTSE 100	103.22	103.22	103.22	103.22

Energy

WTI Crude Oil	Settlement	High	Low	Est floor volume	Open interest
WTI Crude Oil	103.22	103.22	103.22	3483	3477
WTI Crude Oil	103.22	103.22	103.22	3483	3477

Commodity Indices

Index	Settlement	High	Low	Est floor volume	Open interest
Index	103.22	103.22	103.22	3483	3477
Index	103.22	103.22	103.22	3483	3477

Industrial Metals

Aluminum HG	Cash	3 month	6 month	1 year
Aluminum HG	1445	1445	1445	1445
Aluminum HG	1445	1445	1445	1445

Precious Metals

Gold	Cash	3 month	6 month	1 year
Gold	1445	1445	1445	1445
Gold	1445	1445	1445	1445

Agricultural

Wheat	Cash	3 month	6 month	1 year
Wheat	1445	1445	1445	1445
Wheat	1445	1445	1445	1445

Other Softs

Cocoa	Cash	3 month	6 month	1 year
Cocoa	1445	1445	1445	1445
Cocoa	1445	1445	1445	1445

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Bloomberg

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Latest Unit Trust Prices

Fund	Sell	Buy	Ytd	Fund	Sell	Buy	Ytd
ABF Growth Trust Ltd	20.00	20.00	20.00	ABF Growth Trust Ltd	20.00	20.00	20.00
ABF Growth Trust Ltd	20.00	20.00	20.00	ABF Growth Trust Ltd	20.00	20.00	20.00

Latest Unit Trust Prices

Fund	Sell	Buy	Ytd	Fund	Sell	Buy	Ytd
ABF Growth Trust Ltd	20.00	20.00	20.00	ABF Growth Trust Ltd	20.00	20.00	20.00
ABF Growth Trust Ltd	20.00	20.00	20.00	ABF Growth Trust Ltd	20.00	20.00	20.00

Latest Unit Trust Prices

Fund	Sell	Buy	Ytd	Fund	Sell	Buy	Ytd
ABF Growth Trust Ltd	20.00	20.00	20.00	ABF Growth Trust Ltd	20.00	20.00	20.00
ABF Growth Trust Ltd	20.00	20.00	20.00	ABF Growth Trust Ltd	20.00	20.00	20.00

Financial Times

Company	Price	Change	Company	Price	Change
Company	1445	1445	Company	1445	1445
Company	1445	1445	Company	1445	1445

Distance learning for Trying Again

Britain's most exciting young steeplechaser, **Simply Dashing**, is due to run on Saturday. But the venue is yet to be decided - leaving two race tracks, Ascot and Haydock, anxiously awaiting news of who will have the weekend's main attraction.

Trying Again, who was well backed in the Honeysuckle Gold Cup at Newbury 10 days ago but faded to be a well-beaten fifth to Suez Bay, is set to run in the Tripleprint Gold Cup at Cheltenham on Saturday.

"Trying Again is a probable runner," David Gandolfo, who trains the nine-year-old, said

yesterday. Saturday's race is over two miles and five furlongs, more than five furlongs shorter than the Hennessy. But testing ground would suit Gandolfo's horse best.

"I was pleased with him to the Hennessy as he didn't get the trip and the step down will suit him at Cheltenham. Three miles is his best distance but there aren't many races at that."

Coulton is set to carry top weight of 12 stone in the Tripleprint, for which 10 horses were confirmed at yesterday's five-day stage.

Coulton's presence - described by trainer Oliver Sherwood as "99 per cent" certain to run - will stop the weights going up which would suit Simply Dashing, next in the handicap with 11st 11lb.

However, Tim Easterby's impressive Ascot winner also

holds an engagement in the Tommy Whittle Chase at Haydock on the same day and plans have yet to be finalised.

Bells Life, winner of last season's John Hughes Trophy at Aintree, reappears in the £60,000-added contest, having missed his intended comeback at Cheltenham last Saturday.

RICHARD EDMONDSON
NAP: Royale Angela
(Plumpton 3.10)
NB: Woodlands Boy
(Plumpton 2.10)

Sarah Hobbs, wife of trainer Philip Hobbs, explained: "He got a minor injury on his back leg coming down the gallops and although he had got over it OK, he just needed a bit more time, so we decided to give him a miss."

Glenn Torney, who usual-

ly rides him, will probably ride on Saturday.

Whatever the fate of Bells Life in the Tripleprint, his trainer has mapped out an ambitious campaign for the eight-year-old.

"After Cheltenham he will follow the same route as Sam Lee [stable companion] and go for the Welsh National with the Grand National his main target," Mrs Hobbs added.

Challenger du Luc will renew rivalry with his Murphy's Gold Cup conqueror Senior El Beutriti on 31b better terms for the three-length defeat suffered by Martin Pipe's charge.

Fine Thyme, runner-up to Simply Dashing in the First National Bank Gold Cup, is also in the Cheltenham feature but is currently 4th out of the handicap. The Amanda Perrett-trained eight-year-old goes best on good ground or faster.

David Nicholson has two entries in the race, Kadi (10st 11lb) and Destin d'Estival (9st 13lb) with the first named requiring soft ground. Scottish-trained Major Bell makes up the numbers.

Katie's Cracker, Mick Quinn's second runner as a trainer, was a runner-up at Southwell yesterday, beaten half a length by Cutting Anshank, who is trained and owned by old footballing partners, Mick Channon and Kevin Keegan.

"The gunner has turned me over," said Quinn, referring to his two-year spell as assistant trainer to Channon before recently gaining his own licence.

TRIPLEPRINT GOLD CUP: Ante-post odds (Cheltenham): 1-4 Simply Dashing, 4-1 Challenger du Luc, 7-1 Suez Bay, 8-1 Coulton, 7-1 Senior El Beutriti, 10-1 Kadi, 10-1 Major Bell, 10-1 Thyme, 10-1 Destin d'Estival, 20-1 Bells Life.



Christopher Spence (above) is to succeed Sir Thomas Pilkington as Senior Steward of the Jockey Club for a four-year term from 1 July next year. Spence has held various posts in racing but is best known to most racegoers as the owner of Celeric, ridden by Pat Eddery to win the Gold Cup at Royal Ascot last June.

Wyatt credited with Tote advance

Thibault was paid yesterday to Lord Wyatt of Woodford, the former chairman of the Horserace Totalisator Board who has died aged 79. The former Labour MP died in hospital on Sunday after suffering a burst artery in his stomach.

The flamboyant Lord Wyatt was chairman of the Tote in 1976 until July 31 this year when he was succeeded by Peter Jones.

The peer is credited with the introduction of Tote Direct, a computerised system through which major off-course bookmakers accept bets that are then placed in the Tote's pools on a commission basis.

Tristram Ricketts, chief executive of the British Horseracing Board, said yesterday: "Woodrow's passing is particu-

larly sad for me as he was first associated with my family half a century ago, when he was personal assistant to my grandfather, Sir Stafford Cripps, on the Cabinet Mission to India."

Ricketts added: "His 21 years at the helm of the Tote will long be remembered as the period in which this key organisation embraced new technology, customer service, expansion of outlets on and off course and, crucially, Tote Direct."

John Heaton, the Tote's chief executive also paid his respects: "Lord Wyatt transformed the Tote during his leadership making it one of the most technically advanced betting organisations in the world."

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RACING'S FUTURES MARKET

One Man, the form of whose Huntingdon victory was given a boost by the prominent display of the runner-up, Viking Flagship, in the Tingle Creek Chase at Sandown on Saturday, is the 5-4 favourite for the King George VI Chase at Kempton on Boxing Day.

Cariboo Gold is 25-1 for the Welsh National with Coral - the Tote off just 14-1, while Dorans Pride remains the 6-1 favourite for the Cheltenham Gold Cup following his bloodless victory at Fairyhouse on Sunday.

- Ian Davies

Horse (Trainer)	Cariboo	William Hill	London	Total
One Man (G. Richards)	5-4	5-4	5-4	5-4
Suez Bay (C. Brodie)	1-1	1-1	1-1	1-1
Simply Dashing (T. Easterby)	1-1	1-1	1-1	1-1
Mr Mulligan (M. Channon)	1-1	1-1	1-1	1-1
Baron Bank (D. Nicholls)	1-1	1-1	1-1	1-1
Rough Quest (T. Coulton)	1-1	1-1	1-1	1-1
Trying Again (D. Nicholls)	1-1	1-1	1-1	1-1
Loneome Glory (F. Bruce-Mitton)	1-1	1-1	1-1	1-1

Horse (Trainer)	Cariboo	William Hill	London	Total
Cariboo Gold (G. Richards)	25-1	25-1	25-1	25-1
Island (D. Nicholls)	1-1	1-1	1-1	1-1
Baron Bank (D. Nicholls)	1-1	1-1	1-1	1-1
Simply Dashing (T. Easterby)	1-1	1-1	1-1	1-1
Mr Mulligan (M. Channon)	1-1	1-1	1-1	1-1
Baron Bank (D. Nicholls)	1-1	1-1	1-1	1-1
Rough Quest (T. Coulton)	1-1	1-1	1-1	1-1
Trying Again (D. Nicholls)	1-1	1-1	1-1	1-1
Loneome Glory (F. Bruce-Mitton)	1-1	1-1	1-1	1-1

Horse (Trainer)	Cariboo	William Hill	London	Total
Dorans Pride (M. Channon)	6-1	6-1	6-1	6-1
Suez Bay (C. Brodie)	1-1	1-1	1-1	1-1
The Grey Monk (G. Richards)	1-1	1-1	1-1	1-1
Mr Mulligan (M. Channon)	1-1	1-1	1-1	1-1
Admission Boy (G. Richards)	1-1	1-1	1-1	1-1
Imperial Call (J. Southern)	1-1	1-1	1-1	1-1
Simply Dashing (T. Easterby)	1-1	1-1	1-1	1-1
Baron Bank (D. Nicholls)	1-1	1-1	1-1	1-1
Rough Quest (T. Coulton)	1-1	1-1	1-1	1-1
Trying Again (D. Nicholls)	1-1	1-1	1-1	1-1
Loneome Glory (F. Bruce-Mitton)	1-1	1-1	1-1	1-1

RESULTS

Horse	Trainer	Time
1. 12.30: LUDLOW (1) (M. Channon)	1-1	1-1
2. 12.35: LUDLOW (2) (M. Channon)	1-1	1-1
3. 12.40: LUDLOW (3) (M. Channon)	1-1	1-1
4. 12.45: LUDLOW (4) (M. Channon)	1-1	1-1
5. 12.50: LUDLOW (5) (M. Channon)	1-1	1-1

Horse	Trainer	Time
1. 12.30: MUSSELBURGH (1) (M. Channon)	1-1	1-1
2. 12.35: MUSSELBURGH (2) (M. Channon)	1-1	1-1
3. 12.40: MUSSELBURGH (3) (M. Channon)	1-1	1-1
4. 12.45: MUSSELBURGH (4) (M. Channon)	1-1	1-1
5. 12.50: MUSSELBURGH (5) (M. Channon)	1-1	1-1

Horse	Trainer	Time
1. 12.30: THE INDEPENDENT (1) (M. Channon)	1-1	1-1
2. 12.35: THE INDEPENDENT (2) (M. Channon)	1-1	1-1
3. 12.40: THE INDEPENDENT (3) (M. Channon)	1-1	1-1
4. 12.45: THE INDEPENDENT (4) (M. Channon)	1-1	1-1
5. 12.50: THE INDEPENDENT (5) (M. Channon)	1-1	1-1

PLUMPTON

Horse	Trainer	Time
1. 12.40: Totall Yours (1) (M. Channon)	1-1	1-1
2. 12.45: Totall Yours (2) (M. Channon)	1-1	1-1
3. 12.50: Totall Yours (3) (M. Channon)	1-1	1-1
4. 12.55: Totall Yours (4) (M. Channon)	1-1	1-1
5. 13.00: Totall Yours (5) (M. Channon)	1-1	1-1

Horse	Trainer	Time
1. 12.40: BRIGHTON (1) (M. Channon)	1-1	1-1
2. 12.45: BRIGHTON (2) (M. Channon)	1-1	1-1
3. 12.50: BRIGHTON (3) (M. Channon)	1-1	1-1
4. 12.55: BRIGHTON (4) (M. Channon)	1-1	1-1
5. 13.00: BRIGHTON (5) (M. Channon)	1-1	1-1

Horse	Trainer	Time
1. 1.10: HENFIELD (1) (M. Channon)	1-1	1-1
2. 1.15: HENFIELD (2) (M. Channon)	1-1	1-1
3. 1.20: HENFIELD (3) (M. Channon)	1-1	1-1
4. 1.25: HENFIELD (4) (M. Channon)	1-1	1-1
5. 1.30: HENFIELD (5) (M. Channon)	1-1	1-1

Horse	Trainer	Time
1. 12.30: HUNTINGDON (1) (M. Channon)	1-1	1-1
2. 12.35: HUNTINGDON (2) (M. Channon)	1-1	1-1
3. 12.40: HUNTINGDON (3) (M. Channon)	1-1	1-1
4. 12.45: HUNTINGDON (4) (M. Channon)	1-1	1-1
5. 12.50: HUNTINGDON (5) (M. Channon)	1-1	1-1

Horse	Trainer	Time
1. 1.00: HUGH ROSSIE (1) (M. Channon)	1-1	1-1
2. 1.05: HUGH ROSSIE (2) (M. Channon)	1-1	1-1
3. 1.10: HUGH ROSSIE (3) (M. Channon)	1-1	1-1
4. 1.15: HUGH ROSSIE (4) (M. Channon)	1-1	1-1
5. 1.20: HUGH ROSSIE (5) (M. Channon)	1-1	1-1

Horse	Trainer	Time
1. 12.20: SEDGEFIELD (1) (M. Channon)	1-1	1-1
2. 12.25: SEDGEFIELD (2) (M. Channon)	1-1	1-1
3. 12.30: SEDGEFIELD (3) (M. Channon)	1-1	1-1
4. 12.35: SEDGEFIELD (4) (M. Channon)	1-1	1-1
5. 12.40: SEDGEFIELD (5) (M. Channon)	1-1	1-1

Horse	Trainer	Time
1. 1.20: DICKIE DODS (1) (M. Channon)	1-1	1-1
2. 1.25: DICKIE DODS (2) (M. Channon)	1-1	1-1
3. 1.30: DICKIE DODS (3) (M. Channon)	1-1	1-1
4. 1.35: DICKIE DODS (4) (M. Channon)	1-1	1-1
5. 1.40: DICKIE DODS (5) (M. Channon)	1-1	1-1

Horse	Trainer	Time
1. 1.40: OTCHING (1) (M. Channon)	1-1	1-1
2. 1.45: OTCHING (2) (M. Channon)	1-1	1-1
3. 1.50: OTCHING (3) (M. Channon)	1-1	1-1
4. 1.55: OTCHING (4) (M. Channon)	1-1	1-1
5. 2.00: OTCHING (5) (M. Channon)	1-1	1-1

Horse	Trainer	Time
1. 2.10: OWL HOLDINGS (1) (M. Channon)	1-1	1-1
2. 2.15: OWL HOLDINGS (2) (M. Channon)	1-1	1-1
3. 2.20: OWL HOLDINGS (3) (M. Channon)	1-1	1-1
4. 2.25: OWL HOLDINGS (4) (M. Channon)	1-1	1-1
5. 2.30: OWL HOLDINGS (5) (M. Channon)	1-1	1-1

Horse	Trainer	Time

26/RUGBY UNION

England's new style means Back's time has finally come



ALAN
WATKINS
ON
RUGBY

The announcement of England's team to play New Zealand was delayed by the coach, Clive Woodward, quite rightly so. But it was too late for me to comment on last week. Both Woodward and the England manager, Roger Utley, are fond of saying that it is easy to be wise after the event and that hindsight is always perfect. This is not entirely fair to us observers. Sometimes I was right at the time, sometimes wrong.

After Woodward had announced his team, I was almost certainly wrong. I should have chosen Tim Stimpson at full-back, John Bentley and Adedayo Adebayo on the wings. Nick Greenstock at outside-centre and Matt Dawson at scrum-half.

Among the forwards, Mark Regan would have come in as hooker and someone else – I was not sure precisely who, but someone – instead of Darren Garforth at tight head.

Admittedly three of my selections, Stimpson, Dawson and Regan, put in an appearance among Saturday's heroes, arriving from the substitutes' bench. It may be, for one can never be certain about these things, that my selection would just have contrived to beat the All Blacks. Somehow I doubt it.

My hypothetical discards all had tremendous matches. Certainly the hacks did. Matt Perry saved at least one try. Phil de Glanville did everything that was asked of him. Kyrn Bracken's quickly-tapped

penalties caused the New Zealand disintegration in the first half. Rees and Austin Healey turned out to be the sharpest pair of wings England have produced in years.

There is an English tradition of having an illusive wing such as Peter Jackson or the under-estimated Dickie Guest on the right and a more direct customer such as Peter Thompson or Rory Underwood on the left. In the present England team the sides have been reversed, with the more fundamentalists Rees on the right (where he prefers to be, having played previously for England on the left).

The question is: where is Healey now going to play in the Leicester side? He switched from wing to scrum-half when

he was at Orrell in the 1995-96 season. He came to Leicester as a scrum-half to replace Aadel Kardhuoni, who is now with Bedford.

Leicester's Director of Rugby, Bob Dwyer, has recently played Healey in his old position, with the Fijian Waisele Sereni, normally an illusive outside-half, at scrum-half. From Sereni's point of view – and from Dwyer's as well – this experiment did not prove an unqualified success when Leicester met Bath at Welford Road earlier in the season. Does anyone, by the way, still remember club matches after the last four weeks?

Dwyer must surely be inclined to restore Healey to the position he was hired to fill. But this is not in England's

interest. It is certainly not in Healey's. There is no one more likely to win fewer caps than he deserves than the versatile player. Usually the player who suffers for this reason is someone who can switch between lock, No 6 and No 8. It is rare in the modern game to find a wing who can play scrum-half, and vice-versa.

But international hacks have to specialise. They must be familiar with those lines of running and angles of attack about which we hear so much these days. Does Woodward, himself a former Leicester player, now politely ask Dwyer to pick Healey as a wing? And, if he does, what does Dwyer say to Woodward? I leave it at that.

In the back row my selection would have been the same as

Woodward's. There is no hindsight on my part there. This maybe hard on Tony Diprose, Chris Sheehy and Tim Rodber, and on the forgotten Ben Clarke too, but Woodward has now put together one of the fastest trios in the world.

The difference between his regime and those of his two predecessors, Jack Rowell and Geoff Cooke, is that, while they would field whenever possible a back row consisting entirely of No 8's, he has chosen one of No 7s for Lawrence Dallaglio. Has often played in this position for Wasps. Woodward has done this without any substantial sacrifice of size. Both Richard Hill and Dallaglio are solid citizens, tall for their age as well.

I am particularly delighted by the success of Neil Back. He

will give encouragement to thousands of schoolboys who are not going to reach six feet but whose natural position is open-side flanker. And he has met so many setbacks in his career that it is pleasant to see him prospering at last.

His success has been the consequence of the change in England's style. This depends on keeping the ball in the hand and refusing to commit too many forwards to the breakdown. Styles can alter. Fashions may change. Luckily for Back, he has in rugby terms lived long enough to see his hour come at last. I am glad about this, even though I still think he got off far too lightly for jostling the referee as he did after Bath's win over Leicester in the 1996 Pilkington Cup.

Woodward's imaginative leadership challenges the necessity of change

If England's four-week Test series against the southern hemisphere heavyweights was an exercise in sporting suicide, last weekend's Twickenham finale provided incontrovertible proof of the existence of life after death. While applauding the national team's reincarnation as a trail-blazing band of 21st century total rugby addicts, there may be upheavals ahead.

Paul Grayson's third and equalising penalty nine minutes from the end of Saturday's phenomenal England-New Zealand extravaganza at Twickenham was always likely to bring the house down and sure enough, the roar of acclamation travelled the soundwaves from Richmond to Auckland via Johannesburg, Durban, Sydney and every other rugby town that matters south of the equator. Yet the cheers were almost drowned out by the rush of a force 10 gale emanating from the boardrooms of the 24 Premiership clubs. The sighs of relief would have blown Jonah Lomu clean off his feet.

"Thank God for that," said one high-profile Premiership director of rugby. "We've shown we can live with one of the great All Black sides and managed it with players who have come through the club system, so perhaps we'll hear a bit less about restructuring, second tiers and bloody divisional rugby." Don't bet on it, old bean. The immense progress achieved by Clive Woodward over the undulating course of his first four Tests at the England helm may soon be undermined by yet another outbreak of bloodshed in the corridors of power.

According to the coach himself, England's structure is not so much flawed as laughable. There is, he says, nowhere near enough English talent on regular display in the shop window provided by the clubs. (Quite right too. It is sheer lunacy that 50 per cent of the playing population of the Premiership should be unavailable to the national selectors. In New Zealand, John Hart has the choice of all but half a dozen Super 12 combatants).

What is more, Woodward continues.

the strictly limited number of England-qualified players who can guarantee themselves first-team rugby are not performing at a sufficiently high level to enlighten the national selectors as to their Test calibre. Hence the "second tier" theory and while Woodward avoids the phrase "divisional rugby" like the plague – and with good reason, given its wretched history – that is precisely what he is talking about.

So too is Fran Cotton, once a hallowed folk hero of the England front row but now, in his latest guise as vice-chairman of the Rugby Football Union's management board, the professional clubs' No 2 bogeyman. (Bogeyman No 1 is, of course, Cliff Brittle, Cotton's chairman and bosom pal). Their preferred option is to hijack the European scene, either by fielding regional teams in the existing (and hugely successful) Heineken Cup or abandoning the competition altogether in favour of a provincial Super 12 lookalike.

Both possibilities amount to worst-case scenarios for the clubs, whose power and prestige would be fatally diminished. Would Heineken, Allied

BY CHRIS
HEWETT

Dunbar and Carlsberg-Tetley continue to pump money into club competitions if all the meaningful action was taking place on a provincial stage? Certainly not. By the same yardstick, would the supporters leave their winter firesides to watch the South-West tackle a Midi-Pyrenees Select at a three-quarters-empty soccer stadium in Bristol? We all know the answer to that one.

To make matters more combustible still, Woodward is now talking about luring any bright young things that might catch his eye in rugby league, slapping a contract in front of them and loaning them out to the clubs for a bit of work experience. The idea has its merits, as anyone who witnessed Gary Connolly's performances for Harlequins last season might testify. But will the clubs play ball as they watch their pre-eminent position in England's rugby landscape being undermined by the Twickenham regionalists? We know the answer to that one, too.

The message of the last four weeks is a profound, yet incredibly simple one: that individuals make things happen, not committees. Woodward himself has demonstrated that a coach with bold, imaginative ideas and the courage to play the game on a broad canvas can equal and, at times, even better the best. You want proof? Look at the back row, where intuitive selection has presented England with their most gifted breakaway unit since Roger Utley, Tony Neary and John Scott hit the mountain tops almost two decades ago.

Woodward has also given Austin Healey the chance to make a real name for himself as an international wing and when the injury backlog clears, he will offer the same opportunity to Mike Catt at outside centre. As for the alleged shortage of new talent, where the hell did Matt Perry and David Rees spring from? Their selections were so far out of left field that it was impossible to see them coming without the aid of binoculars.

Three years ago, Laurie Mains made All Blacks of Lomu, Josh Kronfeld, Andrew Mehrtens and Glen Osborne at a time when their own families were having difficulty recognising them. Woodward, bolstered by John Mitchell's hard edge and Phil Larder's genius for defensive organisation, has managed something comparable.

Which is more than can be said for the Celtic nations, who look less like second-class citizens than disenfranchised refugees shambling from one soup kitchen to another.

The slaughters inflicted by sundry All Blacks, Wallabies and Springboks on the fields of Dublin and Edinburgh confirmed, if confirmation was needed, that neither Ireland nor Scotland could even begin to hope for anything better than a quarter-final place in the 1999 World Cup. Divisional or provincial rugby for England? Ask Richie Dixon and Brian Ashton about it.

Wales were also on the receiving end of an All Black hiding, although adventurous choices in the back row (come in Colin Charvis and Scott Quinnell) and at half-back (come in Arwel Thomas) would give them a puncher's chance of gatecrashing the England-France private party in this season's Five Nations. It is, however, true to say that English rugby has more to fear from its own administrators than anything that may be stirring on the far side of the Severn Bridge. Tread carefully, Clive.



Matt Perry proved that new English talent can emerge despite reservations about the system

Photograph: David Ashdown

Old comrades turned rival Blues fully prepared to exploit showcase

As rugby union hurtles into the professional world the Varsity match remains one of the last bastions of the amateur game. But amid the rugby buggers at Twickenham today David Jewell finds two young men chasing a dream of professionalism.

Take two men, one an aspiring solicitor, the other in the foothills of a medical career and ask them what they would like to do when they leave university and you might be surprised.

While the majority of the twentysomethings who step out at Twickenham today for the Varsity match will regard it as the pinnacle of their personal rugby mountain, at least two players, one on each side, have a very different view.

Cambridge University's centre, Mark Denny, is currently reading Law at St Edmund's College with the intention of becoming a solicitor; Oxford University's tight-head prop, Adam Reuben, is studying for a Diploma in Medical Studies, having graduated MBChB from Bristol University. He still has to complete his two pre-registration jobs as a surgical and medical house officer.

Both professions have carefully structured career paths; both have entailed long and demanding academic study in very competitive fields; it is unthinkable that anyone would do more than contemplate putting the promise of such jobs for life on to the back-burner. But that is what Denny and Reuben hope to do. Both men are keen to dip their toes in professional rugby and are prepared to tread water as far as their "real" careers are concerned. So for these two former Bristol University team-mates this

afternoon's tussle for the Bowring Bowl represents a glittering opportunity to turn the headquarters of English rugby into a showcase, a shop window in which to parade their skills for anyone who might be interested.

Neither plans to dive head-first into the game's murky professional waters, however. They would both prefer to compromise by becoming part-time players, thus allowing them the opportunity to stay in touch with the real world, which is where their long-term ambitions lie.

Denny has already tasted pay-for-play as a professional with Bristol and he is fairly dismissive of it. "I've really enjoyed coming back into amateur rugby from the professional game," says the 22-year-old History graduate. "At least I'm no longer sitting around for long periods of the day wondering what I'm going to do next."

Reuben too has had a sniff of the pro game, albeit with differing views.

"Before I came up to Oxford I was with Cardiff for a couple of months; it was only pre-season, when a couple of their props were unavailable for various reasons, but I was paid, and

I played in the match against Brive and I enjoyed the life, what little I saw of it.

"Cardiff have encouraged me to stay in touch and see how things are after Christmas but

with the depth they have – they have four international props – I'd be reluctant to go back just to play second team rugby or sit on the bench."

Denny still has two years of Law followed by a further 12 months at Law School. He has holiday work lined up and while he says the firm are sympathetic he knows he has to be pragmatic. "There is a certain challenge off the field, which is that I have to accommodate and combine these two careers. Playing rugby as a part-time professional would be ideal," he admits.

For Reuben, two years Denny's senior, things are not so clear-cut. He cannot postpone his pre-registration year for much longer. He has to find a balance. "I've spent five years at med school and I wouldn't want to think that I've done all that for nothing. Anyway I certainly would not tie myself permanently to professional rugby," he said.

He could ask his scrum-half

Dr Niall Hogan for advice, but says: "Niall has already done his pre-registration. He is at a different stage, although I think he intends putting his medical career on the back burner while he establishes himself as Ireland's first choice."

"My plan at the moment is to do my house jobs next year. Of course if I do that then I will have to give up rugby during that time, because it is not possible to continue playing a decent standard of rugby when, as a house officer, you are working for 80, 90 or a 100 hours a week. Ideally I would like to go part-time and at least combine some degree of medical studies with a professional rugby career."

Denny voices the mission: "It is just a case of finding a club that is prepared to work along those lines. I doubt very much if I will be going back to Bristol. They haven't contacted me at all this year."

And so to the means to that end. Finding the club. Reuben

says, quite candidly: "I am hoping the Varsity match will be a showcase for me."

Denny agrees, adding: "I regard the Varsity match very much as an opportunity for me to show what I can do."

Today all 30 – and the replacements – will want to show what they can do in front of a sell-out 75,000 crowd.

Cambridge, winners for the last three years and with an overall superiority of 54 wins to Oxford's 48, are favourites to repeat the feat, and with nine old Blues in the side that is understandable. But the Dark Blues are no mugs this year. They have half a dozen old hands themselves and a pack of awesome potential. The Light Blues have a talented set of three-quarters and, with a competitive and skilful back-row, are adept at getting the ball out to them.

Both captains promise an expansive game. Denny and Reuben, among others, will be looking to expand their horizons.

Wimbledon
may go back
south-west
London

TING D...
ed homes in on Kelley

FIVE CARS.

Yorke injury threatens Villa's chance of progress

Aston Villa fly the flag for England in the Uefa Cup tonight. But, reports Phil Shaw, they might have to overcome a 2-1 deficit against Steaua Bucharest without their Tobagan talisman.

Dwight Yorke, whose goals in Europe have helped to keep Aston Villa's anticlimactic season alive, may miss the second leg of their Uefa Cup third-round tie against Steaua Bucharest at Villa Park tonight because of an injury which has mystified the club's medical staff.

The Trinidad and Tobago international followed up his winner against Athletic Bilbao with a potentially precious away goal in the Romanian

capital after Villa had conceded twice in quick succession. However, he limped out of Saturday's victory over Coventry and was unable to join an otherwise fully fit squad in training yesterday.

Brian Little, the Villa manager, said Yorke's problem had been operating as a deep-lying attacker while Savo Milosevic and Stan Collymore hold the main striking roles. Lee

Achilles, or it might just disappear. "Dwight's very important to us - his availability will settle the team and the formation - but I wouldn't gamble on anyone if it could mean a long-term injury." Little will probably restore Fernando Nelson and Ian Taylor to midfield, where Yorke has been operating as a deep-lying attacker while Savo Milosevic and Stan Collymore hold the main striking roles. Lee

Hendrie, 20, who scored against Coventry after replacing Yorke, could be used as a straight replacement but is more likely to start on the bench.

Villa, striving for a place in the Uefa Cup quarter-finals for the first time since their manager partnered Andy Gray up front 21 years ago, have won their last three home matches. But Little said: "We're kidding ourselves if we think we've got the advantage. They start one

up and knowing they have gone through on away goals before [against Bastia]."

Steaua would enjoy playing on the Villa Park pitch, he added in a veiled aside about the poor surface in Bucharest. "Their counter-attacking ability is their major strength," he cautioned.

Mihai Stoichita, the Steaua coach, later echoed Little's sentiments. "I'm very confident we'll go through," he said. "It'll be tough but it'll suit us playing

on a decent surface. Villa have to push forward, so we can exploit the space behind their wing-backs. We always score away from home."

Since the first leg, England and Romania have been paired in next year's World Cup finals. Despite the fact that only two Steaua players, Marius Lacatus and Iosif Rotariu, are in their national squad, Little felt the draw had given the game "added edge".

Stoichita, an admirer of Glenn Hoddle's attempt to marry traditional English virtues to greater technique, went further: "This game will be like the opening night of the World Cup. Whoever wins will see it as a good omen."

Doug Ellis, the Villa chairman, would view victory in rather more practical terms. He has calculated that the club could make £5m by reaching the final.

McCann to sell off his share of Celtic in 1999

Fergus McCann, Celtic's owner, plans to sell his shareholding and retire in 18 months' time but yesterday he said he would ensure there was no hostile take-over of the Scottish Premier League club.

McCann, a Scots-born Canadian who has turned the club's finances around since taking control in 1994, said in a statement released on the London Stock Exchange that he would retire in mid-1999.

"Suggested take-overs are complete nonsense as I hold just over 50 per cent of the ordinary shares. That makes a takeover impossible without my consent," McCann said.

"Ideally I would like to find a way to make some of my shares available to existing shareholders. However, I think the most likely scenario will be a mixture of existing shareholders and institutions. What I will guarantee is that ownership of the club will not fall into the wrong hands."

When McCann bought 146,000 shares, a 51 per cent stake in Celtic, for £9m in

1994, he said the club faced bankruptcy, had a very poor stadium and only 7,100 season ticket-holders.

They are now close to completion of a £30m stadium with seating for more than 60,000, making it the largest in Britain.

The club was now financially secure, more than £20m had been invested in new players and there were 40,000 season ticket-holders, he said. Celtic shares are currently quoted at £250 pounds each.

The Celtic coach Wim Jansen hopes the imminent arrival of Harald Brattbakk will help to put his team back into title contention at Pittodrie tonight.

With the Norwegian due in Glasgow on Thursday to complete his £2m move from Rosenborg, the likes of strikers Simon Donnelly and Darren Jackson will be under extra scrutiny against Aberdeen.

After Saturday's 0-0 draw at Kilmarnock, another blip would put a serious dent in Celtic's hopes of maintaining a championship challenge.

Already six points behind

Rangers and seven behind leaders Hearts, Jansen knows his men cannot afford any more slip-ups against Alex Miller's strugglers.

Winger Regi Blinker returns after serving a one-match suspension and looks likely to be asked to provide the ammunition for a lacklustre front line.

Jansen said: "I hope the strikers give me a problem when Harald arrives. If we want to get up the league we know we have to win these type of games and if we lose points here then we make problems for ourselves."

"The whole team didn't really look as sharp on Saturday as they did in our two games against Dundee United."

"The way we play they need to be sharp to get back to winning games but it is the individuals in any system that make the difference."

Sweden's Henrik Larsson looks the most likely partner for Brattbakk when he is ready for action, but Jansen may decide the time has come to give Jackson a place from the start after three substitute appearances on his return from brain surgery.

SKI JUMPING



Masahiko Harada, of Japan, soars through the air in yesterday's ski jumping world championship fourth round in Villach, Austria. Harada won the event - with jumps of 90.5 metres and 95m - ahead of the German Dieter Thoma. Photograph: Gert Eggenberger/AP

TENNIS

Henman told by McEnroe to be meaner

Tim Henman is ready to take John McEnroe's advice and forsake his "good guy" image in a bid for tennis greatness.

Last week McEnroe told Britain's No 2 that he was "too nice" and needed to add meaner to his developing game.

And following a long chat and 30-minute practice session with the 38-year-old McEnroe at the Royal Albert Hall's ATP Seniors Event last weekend, Henman agrees.

"I am very competitive but sometimes my demeanour is maybe too calm on court," Henman said. "I can show more emotion and McEnroe implied that if I let my inner feelings out a bit more it could help me. Any time you get advice from someone who has achieved what he has you should listen."

If it means the 23-year-old Oxfordshire player has to lose his "Mr Wonderful" tag in order to become the first Briton

since Fred Perry 61 years ago to win Wimbledon, then so be it.

"I couldn't give a monkey's what people think about me. I want to achieve on a tennis court. If people were against me and didn't like me but I was winning major championships, I'd take that any day of the week," said Henman, who was speaking at the Midland Bank Schools Tennis finals in Telford, yesterday.

"You're not going to see me swearing or breaking rackets

during matches but to go to the very, very top I have to be more consistent and if I can be more aggressive that will probably help."

But while Henman is eager to learn from the sport's most controversial and colourful character, he disagrees with McEnroe's assertion that today's players don't have enough desire.

He rejects McEnroe's boast that the Borg-Connors-McEnroe battles of the late 70s and

early 80s were the golden era of tennis. "The overall depth in the game is much more now than in McEnroe's day," said Henman, who rose to No 17 in the world this year but saw Greg Rusedski pass him to become Britain's top player and world No 6.

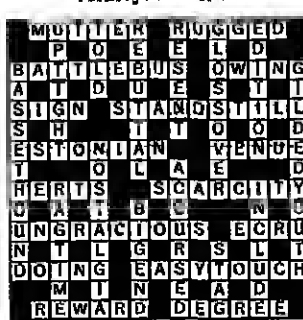
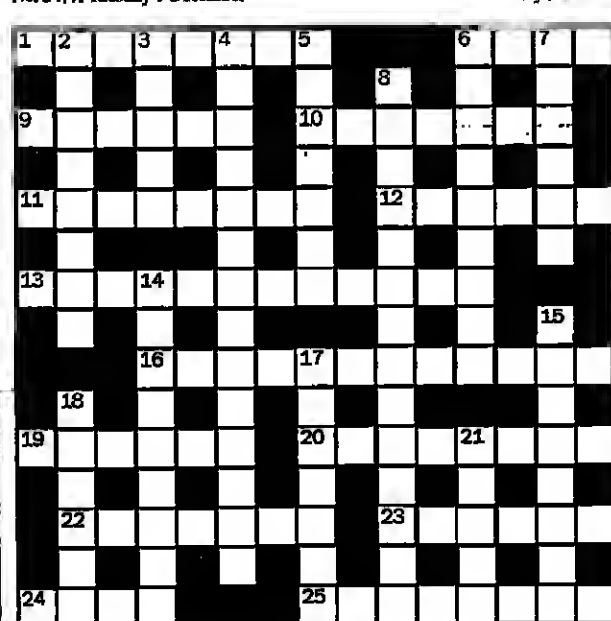
"In 1980 there weren't more than a handful of potential winners of the major tournaments. In 1997, 20, 30 or even 40 guys could easily win the top events."

THE INDEPENDENT CROSSWORD

No. 3477, Tuesday 9 December

By Aedra

Monday's Solution



- ACROSS**
- 1 New hope round university brought back atmosphere of elation (8)
 - 6 Show sorrow for heartless devoutness (4)
 - 9 Agreement to produce mains flex (6)
 - 10 My son travelling round US city has to find another name (7)
 - 11 British have followed teachers like Hazel (8)
 - 12 Feline let loose could kill these (6)
 - 13 Extra classes for those not very good at adding? (6,6)
 - 16 Current cute expert has grasped name of slight friend (12)
 - 19 Material with which it's possible to take action (6)
 - 20 Ghostly aspect to left and right, shimmering (8)
 - 22 Pattern specially made for clients (7)
 - 23 Cold fellow's stiff (6)
 - 24 Two out of four could be radical (4)
 - 25 Reap changes to sharpen sound in this? (8)

- DOWN**
- 2 Count us out after Unionist becomes oily (8)
 - 3 Initially high, very high, cost of doomsday weapon (1-4)
 - 4 Killer hurts they say, that could account for it (5-9)
 - 5 Moving pictures by artist to be put up? It's elementary (7)
 - 6 Crucible soundly a cashier's cigar (9)
 - 7 But elm, diseased, has to come down (6)
 - 8 Not told because one's lost? (11-3)
 - 14 Most stingy about street poverty criterion (5,4)
 - 15 Almost where William came from to go to Jerusalem one time (8)
 - 17 Awful slob in prayer to forgive (7)
 - 18 Depicting one as conservative in Foreign Office is a disaster (6)
 - 21 High time to reverse positions of leg (5)

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Dwight Yorke, Dwight Yorke.

Aston Villa vs Steaua Bucharest live from 7:30 tonight on 5